Daily Report

Latin America

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Cuba

FAR Holds Maneuvers in Camaguey

FL2011180193 Havana Radio Reloj Network in Spanish 1712 GMT 20 Nov 93

[Text] Prior to the end of the current training year, military exercises are going on at the FAR's [Revolutionary Armed Forces] "Major General Ignacio Agramonte National Range" in Camaguey. The purpose of these maneuvers is to verify in the theater of operations the level of preparedness of the troops of the different branches of the Armed Forces and the technical condition of the combat equipment; and to demonstrate the results, on this occasion while employing resources more efficiently.

The maneuvers ongoing at the Camaguey range show that despite reductions in the usual resources, variations and initiatives aimed at improving even further the quality and efficiency of military instruction have been sought. In this connection, one can see that the soldiers are better prepared, and that their chiefs are better able to act independently whatever the mission.

Maria de los Angeles Garcia Speech to UNEAC Congress

FL2311194693

[Editorial Report] Havana Radio Rebelde Network in Spanish at 2130 GMT on 22 November broadcasts Politburo member Maria de los Angles Garcia's closing speech at the Fifth Congress of the National Union of Cuban Writers and Artists [UNEAC].

Garcia begins by highlighting the importance of culture throughout the Revolution. In referring to the heroic efforts of Cubans to defend the achievements of socialism, she says: "Evidence of this is the large number of artists, musicians, actors, writers, and creators who, from many different professions and occupations represented here today, express the magnitude of the achievements obtained by an entire people, the same people who now sustain the right to preserve and develop this Revolution with their titanic efforts."

Garcia mentions the importance of culture in the Cuban society. She highlights the difficulties artists have had during the special period and says: "In the cultural sphere as in the other spheres of our daily lives, it would impossible to separate ourselves from the difficulties and limitations imposed on us by the special period. These difficulties are real and have seriously affected the development of diverse artistic and literary expression, which has been highlighted in the congress.

"Nevertheless, this should not keep us from seeing the historic and cultural fact that makes this critical period of the Revolution, in its entirety and complexity, unafraid of the most extreme conditions, a moment that marks the greatest challenge to creativity in our entire revolutionary history."

Garcia speaks of the rights and duties of Cuban intellectuals and the importance of strengthening the unity of the Cuban people: "Today we are not gathered to assign a role to the art and culture of the Revolution. That would be a paternalistic notion on our part. It would be to consider you just simple spokespersons and not accept you for what you are, or better said, what you have proven yourselves to be: participants with full rights and duties in the Revolution. We have gathered to analyze how to make feasible the exercise of those rights and duties, and to establish to what degree we define the limits that would increase social efficiency in the cultural task. The moment calls for unity and hard work. The arts play an irreplaceable role in promoting, maintaining, and strengthening the unity of the people around their socialist project and revolutionary vanguard."

On this same subject, Garcia goes on to say: "As we mentioned at the beginning of the congress, 'Cuban' is what was, is, and will be for the good of the people—that which incorporates the best of their essence and uniqueness. Its scope is not expressed in insular terms and is not reduced to mere birth certificates. Its boundaries are not only geographic, but ethical, moral, and patriotic.

"Within those boundaries there is enough space for us to show who and what we are; what strengthens us as a nation; and what allows us to understand ourselves, our children, and future generations."

Garcia continues by stressing the important role artists and intellectuals play abroad. She adds that they are ambassadors in foreign lands.

Regarding socialism, Garcia says: "Survival depends on continuing, despite the difficult circumstances we are facing, the socialist project we have begun, conceived, and defended, which has the distinctive seal of not having been imposed on us by anyone. It is of the Cuban people and for the Cuban people. It is sustained in our ideopolitical, cultural, and historic wealth and in the renewed will of the people."

Garcia concludes: "In Cuba we have what we need; and we will have even more if, to our patriotism, we add the unshakable will of working with all the might and intelligence of which we are capable so the fatherland can continue to be free and prosperous."

Vilma Espin Meets With Do Muoi in Hanoi

FL2311194793 Havana Radio Rebelde Network in Spanish 1800 GMT 23 Nov 93

[Text] Do Muoi, general secretary of the Vietnamese Communist Party, today in Hanoi praised Cuba's scientific and technical progress, the Cuban people's courage, and Fidel Castro's leadership. Do Muoi said these attributes will allow Cuba to overcome its current economic crisis. During today's meeting with Vilma Espin, president of the Cuban Women's Federation, Do Muoi admitted that socialism is facing difficult times and that the enemy is particularly trying to destroy the Cuban and

Vietnamese revolutions. The general secretary of the Vietnamese Communist Party said that his country's relative economic bonanza confronts the challenges of an area devastated by wars and urgently needs to put an end to poverty. Do Muoi added that fortunately, most of the Vietnamese people, like the Cuban people, are keeping up their spirit of struggle.

PRC Team To Study Cooperation in Tourism

FL2311194993 Havana Radio Rebelde Network in Spanish 1800 GMT 23 Nov 93

[Text] The PRC will send a research team to Cuba in 1994 to study the possibilities of expanding cooperation in the field of tourism. This was announced in Beijing by a PRC Government tourism official. Even though sending a research team to Cuba is included in the agreement signed between the PRC and Cuba in November 1992, not much progress has been achieved because of the distance between the two countries.

Villa Clara Province Holds Journalists Congress

FL2011173693 Havana Radio Rebelde Network in Spanish 1000 GMT 20 Nov 93

[Text] The need to stop broaching subjects in a trite manner and to write in keeping with the process of changes that Cuba is going through was assessed at the Villa Clara Province session of the Sixth Congress of the Union of Cuban Journalists. The research into the economic management of the Basic Cooperative Production Units was considered a good example of how to follow up on subjects, seeking novel ways of respecting reality.

Jorge Risquet, a member of the Central Committee of the Communist Party of Cuba [PCC] made a speech. He said journalists absolutely must improve, as a way of making people understand the changes that are being carried out in the country.

Also at the meeting, Tomas Cardenas, PCC first secretary in Villa Clara Province, called on journalists to seek new styles in the work of reporting.

Cooperation in Education Discussed With Venezuela

FL2411004293 Havana Cuba Vision Network in Spanish 2320 GMT 23 Nov 93

[Text] Fernando Vecino Alegret, Cuban minister of higher education, has met with authorities of the Venezuelan state of Merida and the University of the Andes, with whom he exchanged opinions regarding the educational development of Venezuela and Cuba. During the dialogue, Merida State Governor (Jesus Rondon) praised Cuba's cooperation in the sphere of higher education.

Some 10 Cuban university professors in the fields of engineering, agriculture, and animal husbandry, as well as sports instructors, are working in that Venezuelan region, and teaching collaboration is expected to be expanded in the fields of medicine and dentistry.

IAEA Experts Teach Classes on Advanced Techniques

FL2211135293 Havana Cuba Vision Network in Spanish 0100 GMT 22 Nov 93

[Text] The International Atomic Energy Agency [IAEA] and the Cuban Executive Secretariat for Nuclear Affairs are encouraging the introduction of vanguard techniques into our nation's economy. Experts of acknowledged international prestige are giving courses and lectures to Cuban management cadres from the sugar and nickel industries, the oil prospecting sector, and agriculture, among other sectors.

[Begin recording of Antonio C. Castanet from Brazil's nuclear agency] Although the specialists know these things, sometimes management—the managers and executives of enterprises—are not sufficiently well informed about the technical and economic benefits that can be obtained by employing these techniques. [end recording]

These classes are sponsored by the IAEA through Program No. 16 of the cooperative regional arrangements in the nuclear sphere, by means of which Latin America exchanges experiences.

[Begin Castanet recording] IAEA's idea is to also transfer the benefits to developing countries. [end recording]

Cuba's high prestige in connection with the introduction of nuclear techniques has favored it as regards the aid promoted by the international organizations, such as these courses which are to continue until the end of the year.

Guantanamo Hospitals Receive Medicine Donations

FL2211233693 Havana Radio Reloj Network in Spanish 2033 GMT 22 Nov 93

[Text] Approximately 40 tons of food, donated by the EC humanitarian body, were received this weekend at the two main hospitals in Guantanamo Province. The donation was distributed through the nongovernmental organizations, Caritas de Espana and Caritas Cuba, to benefit patients at Agostino Neto and Octavio de la Concepcion Hospitals, located in Guantanamo and Baracoa municipalities, respectively. Patients at both hospitals will benefit from this shipment of food which includes rice, lentils, pasta, cooking oil, canned meat, powdered milk, and other items.

Recently, these and other Guantanamo hospitals received a donation of medicine and food for children, as part of a donation sent by the Basques to Cuba.

Commentary on Expansion of Self-Employment

PA2211221993 Havana Radio Havana Cuba in Spanish 0000 GMT 20 Nov 93

[Commentary by Roberto Morejon from the "Evening Information Review" program]

[Text] Cubans have welcomed the expansion of self-employment to 135 occupations. The government has legalized a number of activities to complement production and services that the state cannot provide because of the current economic situation. The number of applications proves that Cubans have indeed accepted this measure. Since registration was authorized in September 1993, 86,598 people have applied and more than 67,000 were approved. In addition, 17,000 people reregistered. Therefore, we can say that many Cubans highly appreciate this opportunity to demonstrate their abilities in private enterprises and to increase their family income.

The employment offices in charge of processing the applications are flexible and have rejected only 3 percent of them, mostly from people unauthorized to engage in private activities. Among those rejected are professionals who are employed full-time by the Cuban state after it financed their university education on the island and abroad. Likewise, these offices have also rejected the applications of those who leave their work centers to engage in self-employment and those employed by the state who do not perform their current duties efficiently.

A partial assessment of what self-employment has achieved so far shows official interest in preventing distortions of a measure that aims to complement state activity. We cannot overlook that this labor variation allows many of those who are declared surplus [excedentes] workers or those working part-time because of a lack of raw materials and power to find useful jobs and means to support themselves.

To avoid other types of distortions, the authorities will try to prevent the proliferation of middlemen who could profit from the work of those authorized to be self-employed. The controls about to be implemented will prevent the emergence of this and other evils that could ruin the experiment introduced in Cuba of a package of already defined economic reforms and others that have yet to be put into practice.

Excess Currency, Need for Investment Viewed

FL2311161193 Havana Radio Rebelde Network in Spanish 1255 GMT 23 Nov 93

["Our Opinion" commentary by Ariel Arramendi]

[Text] The international situation is affecting Cuba's economy from several angles. We must accept the fact that some harm is unavoidable; however, we must not lose sight of our goal, which is to overcome the special period without serious and irreversible damage. There is no doubt domestic finances are being affected and we must accept that some of our main supports, distinctive of the Cuban people in the past decades, will be affected.

In the past decade, during the past five years, to be more exact, part of the Cuban work force had to be inefficiently absorbed so as not to increase unemployment. Obviously this affected our productivity in a negative manner; in other words, we worked more and produced less. If we realize that in the next five years our work force will increase by 300,000 people, it will not be difficult to imagine the pressures our state budget will confront because of the negative effect on our economy of the lack of foreign supplies and the new investments Cuba will have to make. This is one factor.

As the amount of money in circulation increases in the country—expected to be approximately 10 billion pesos by late 1993—it will be impossible for retailers to meet this liquidity. This is another factor. Likewise, the social security system represents budget expenditures of more than 1.2 billion pesos and this increases liquidity.

The problem with the current excess of money is that it is not distributed equally among the people. It is basically in the hands of some sectors that move this money in directions that are not in accordance with the interests of the people. It has been said that this latter factor restricts the possibilities of acting against the excess money in circulation with policies that would raise prices. Such policies would affect most of the people whose sole income is their salary. This forces us to draft a more complex policy to lower the pressure that those who have the money would place on the retailers and that will be reflected in a wide range of taxes on income. The control of this income will promote savings and productivity.

What is sought is to adjust the economy to the new situation, reinsert the Cuban economy into the world market on a competitive basis, and reorganize the domestic economy to make it more efficient. If we are not aware that we must do this, all else will be words. It is as simple as that.

Haiti

Creation of Constituent Assembly Considered

FL2311174093 Port-au-Prince Signal FM Radio in French 1130 GMT 23 Nov 93

[Excerpts] Many meetings are being held at the Haitian parliament between Alliance for Parliamentary Cohesion [ACP] parliament members and the military. There was a meeting about the Haitian crisis on 22 November between military officials and parliament members of the 45th legislature. Deputy Frantz Robert Monde, author of the clean sweep policy, is still demanding the resignation of the head of the government of concord, believing there must be a government of concord without Malval. According to Bob Monde, if Article 149

cannot be implemented. Article 148 is being debated so the country can move out of deadlock. Dalet Valet reports:

[Begin recording, in Creole] [Robert] Malval, as a candidate for prime minister, clearly said that he did not intend to remain long in that post. When he became prime minister, he said the same thing and announced his resignation for 15 December. In view of the complicated political situation, Prime Minister Malval announced that he would leave his post before December. It was rumored [he would leave his post on] 20 November. But the prime minister is still in place, which makes Deputy Monde, who has consistently demanded Malval's resignation, indignant. [passage omitted]

Recall that it was UN Secretary General Butrus Butrus-Ghali and President Aristide who asked Prime Minister Malval to remain in post and not to resign. But opponents of the government of concord within the parliament, including Socialist and ACP parliament members, are still waiting for the resignation. But what is the alternative? Who will replace Malval? How long have negotiations been going on between parliament members and the Haitian Army? No parliament members are willing to explain what is going on at the parliament. [passage omitted]

According to a parliamentary source we can believe, a proposal providing for dissolution of the parliament is under consideration. After dissolution, 55 parliament members would be selected to form a constituent assembly to draft a constitution to replace the 1987 Constitution. This solution provides for general elections with the participation of President Aristide, under the new constitution. This solution also provides for Aristide to lose those elections in the event that he agrees to run, as happened in the Dominican Republic in 1966 to Juan Bosch, who was overthrown during a coup, went into exile, then returned to his country to run in a rigged election that he had lost in advance. [end recording]

PLANOP Seeks Army Withdrawal From Politics

FL2311223193 Port-au-Prince Signal FM Radio in French 1130 GMT 23 Nov 93

[Text] The National Platform of People's Organizations [PLANOP] demands the end of the systematic repression maintained by the military institution. PLANOP believes that for it to work, the desired reconciliation requires a total renunciation of the criminal acts. The Army must disarm the civilian police auxiliaries and dissolve the paramilitary corps, which are sowing sorrow in Haitian families. PLANOP believes it is essential for the Army to withdraw from the political scene and restrict itself to its sole constitutional mission, which is to defend the state, so there can be a new beginning.

'Homemade Bomb' Explosion Reportedly Injures 4

FL2311163193 Port-au-Prince Signal FM Radio in French 1130 GMT 23 Nov 93

[Text] Four persons were seriously injured on 22 November by the explosion of a homemade bomb in Cite Soleil, one of the shanty towns of Port-au-Prince, a private radio station in the capital announced. According to statements by persons living in the area and quoted by the radio station, the injured, who had arrived in the neighborhood not long ago, were hurt in the explosion of the device which they were handling. The four victims, Anne-Marie Gedeon, Reynold Jean, Lamour Maxo, and Oriental Germain, were admitted to the Port-au-Prince General Hospital in very serious condition with burns and severed limbs. Two of them have denied the account given by witnesses, claiming that the explosion surprised them in their home at 0500 when they had just awakened.

At least four persons have been killed and 10 others injured over these past two years in Port-au-Prince by homemade bombs they were handling. The police generally attribute responsibility for these incidents to networks of partisans of President Jean-Bertrand Aristide, who was overthrown in September 1991 by a military coup. These accusations have been denied by Aristide supporters.

Jamaica

Russian Diplomat on Ties With Caribbean

FL1811192793 Bridgetown CANA in English 1733 GMT 18 Nov 93

[Text] St. John's, Antigua, Nov 18, CANA—The Russian Federation is seeking closer political and economic ties with the Caribbean, according to the charge d'affaires at the Russian Embassy in Jamaica, Konstantine Kamenev. He told newsmen here that Russia views the region "as important from the point of view of its political weight".

He said the voice of the 13-member Caribbean Community (Caricom) "is heard all over the world. It is 10 per cent of the active members of the United Nations. So in this respect I think relations between Russia and the Caribbean states is important," Kamenev added.

On the economic front, he said Russia was exploring the possible opportunities in bauxite and fisheries with Jamaica."I think that with the creation of the Association of Caribbean States that will take place next year ... the process (of closer ties) will be speeded up," the Russian diplomat said.

On Cuba/Russian relations, Kamenev said: "We haven't cut our representation in (Havana)." He added that "commercial ties are growing" in spite of the fact that Russian aid to Cuba has been cut significantly. "We have normal and friendly relations with the Cuban people and

the Cuban Government, like any another country. We continue selling key products such as oil. We are buying Cuban sugar," he noted.

St. Kitts and Nevis

Opposition Denies Need for Foreign Troops

FL2311192393 Bridgetown CANA in English 1854 GMT 23 Nov 93

[Text] Bassettere, St. Kitts, Nov 23, CANA - Leader of the opposition St. Kitts and Nevis Labour Party, Dr Denzil Douglas, says the government should not use foreign troops to maintain order here during next Monday's general election.

Douglas was responding to comments Monday by Prime Minister Dr. Kennedy Simmonds, who spoke of "a number of measures which will give our country access to security support from friendly nations in order to ensure there is no disruption in the election or any disruption by the perpetrators of the wholesale illegal telephone tapping". Simmonds claimed the country was under threat from external forces using local agents to bug the phones of governement ministers, police and other key figures.

Douglas, in a statement, said: "I do not quarrel with the prime minister's taking necessary effective steps to safeguard the nation's welfare. But if the prime minister means to bring foreign troops here during the election campaign, I say that is not justified by any situation in the country and the real purpose will be to terrorise the electorate."

The opposition leader said "There must be a way (Simmonds) could deal with (the wire-tappers) according to law". He said Simmonds should have consulted him on the allegation of telephone-bugging, particularly as the National Assembly (Parliament) stands dissolved.

He said that while he does not condonc the invasion of privacy and respects any attempt by the prime minister to maintain stability in the country, foreign troops were not the answer to the problem.

'Mafia-Style Politics' Mark Campaign

FL2311223293 Bridgetown CANA in English 1935 GMT 23 Nov 93

[By Rickey Singh]

[Text] Bridgetown, Barbados, Nov 23, CANA—No smooth sailing to victory is expected for either of the two major contesting parties for Monday's general election in St. Kitts and Nevis, according to political analysts. The outcome could be a narrow win for either party, they calculated. But Prime Minister Kennedy Simmonds has scoffed AM [expansion unknown] predictions of either possible defeat for his incumbent People's Action Movement (PAM) or a "hung parliament" in this twin-island federation. At 57, and with three consecutive electoral victories to his credit, Simmonds, a medical doctor, told CANA:

"In politics, all things are possible. But I can say quite confidently that my party, PAM, will retain its six seats in St. Kitts and quite likely end up with at least seven of the eight St. Kitts constituencies." His primary challenger, 40-year-old Denzil Douglas, also a medical doctor and leader of the main opposition St. Kitts Labour Party (SKLP), however, sees a return to power by Simmonds and PAM as "mere wishful thinking." "This is labour's moment in time," he said.

The election comes four months ahead of the constitution deadline and against the background of high-profile tenth independence anniversary celebrations last September with the government placing emphasis on its claimed achievements [passage indistinct].

A key element in the defeat or victory of PAM, which governs in a coalition with two of the three seats from federation partner, Nevis, centres on the impact of the newly-formed United People's Party (UPP) of businessman Michael Powell. A former deputy prime minister of Simmonds' administration until last year, Powell was expelled from the party earlier this year amid his deteriorating relationship with the prime minister. He immediately set about forming the UPP with the hope of capitalising on perceived disenchantment among the electorate with both the government and the opposition SKLP.

Powell and Douglas are leading their respective party for the first time in a general election. Douglas, whose party held two seats in the last parliament, told CANA:

"[Passage indistinct] optimism is misplaced. This is a straight fight in St. Kitts between labour and PAM. Powell could very well lose his own East Basseterre seat."

At stake are 11 parliamentary seats for the 104-square-mile link in the Leeward chain of islands, a member state of the Caribbean Community (Caricom) of some 50,000 citizens whose economy revolves primarily around tourism and sugar.

At the close of nominations last Friday, there were 28 party candidates—six for Nevis and 22 for St. Kitts. There is also one independent candidate for Nevis. The Nevis Reformation Party (NRP), which has been the coalition partner of Simmond's PAM, is fielding candidates for all three Nevis constituencies. So also is the Concerned Citizens Movement (CCM), which held one seat in the last federal parliament.

In St. Kitts, both PAM and the SKLP are contesting the eight constituencies, while the UPP is posing a challenge in six. There are some 23,000 eligible voters for the poll and all the contesting parties are expecting a higher voter turn-out than at the 1989 general election.

Then, with an estimated 60 percent of the electorate voting, PAM was returned to power with six seats; SKLP

two; NRP two and the CCM one. At least 70 percent of the electorate is now expected to vote. Simmonds' appeal to voters to "stay with PAM and NRP for progress and stability, for a future where drug traffickers and gunrunners will not freely peddle their influence," has been rejected by Douglas as part of "a campaign of fear and desperation." The drug dealers, he said, "have never been on our side and we do not need them now. The government should have a look in the mirror on this particular issue."

The government points to "a continuing pattern of economic growth, with an average 5.6 percent rate, one of the highest in the Caribbean-Latin American region." Its campaign also calls into question the "integrity and capabilities" of the opposition parties to run the affairs of this small federation that frequently raises doubts about its continuity because of threats from Nevisian politicians. For their part, the opposition parties in both St. Kitts and Nevis reject the government's record of achievements, responding with statistics of 19-23-percent unemployment; and growing incidence of crime and "depression" in the agricultural and transportation sectors, despite the reported gains from tourism.

Douglas told CANA that contrary to the "lavish promises" of Simmonds at the last election, that with the completion of the multi-million dollar South-East Peninsula Road project, there would be a chain of new hotels and other investment schemes along the highway, "there is today a total absence of such projects—only airy fairy promises." The SKLP's leader, who succeeded former premier, Lee Moore as party leader in 1989, is counting heavily on the youth vote—said to be more than half of the electorate—to give him the opportunity to lead a new government in Basseterre, "even if it is a coalition."

Like Douglas, Simmonds is holding out promises to the parties in Nevis to have "a united" (coalition) government and to maintain "the territorial integrity" of the twin-island federation. One significant development in Nevis since the last general election is the victory of opposition MP Vance Amory as premier of Nevis with [word indistinct] elections last June. Some observers feel he is more likely to team up with Douglas's labour party to form a new coalition administration than with PAM. But Simmonds discounts such a possibility, claiming that "we are on our way for a fourth term, and Douglas himself may be lucky to retain his own seat." It is a boast the SKLP leader has derided as "the calculation of political dreamers." He gave PAM between two to three seats and labour five to six, recalling that his party had polled over 42 percent of the valid votes in 1989.

The election campaign has so far been free of political violence, despite the charges and countercharges in a tense battle of "Mafia-style politics" and who and which party was benefiting from "drug money." Prime Minister Simmonds and Douglas said that they intend to promote a peaceful campaign.

Banana Farmers Announce Strike Plans

FL2411010093 Bridgetown CANA in English 2203 GMT 23 Nov 93

[Text] Castries, St. Lucia, Nov 23, CANA—St. Lucian banana farmers, who staged a three-day strike last month, are threatening another stoppage.

The Banana Salvation Committee, a pressure group of prominent banana farmers, which mobilised the October strike, has written the interim board of the St. Lucia Banana Growers Association (SLBGA), warning strike action will take place next Tuesday, unless its concerns are met. The letter, sent to SLBGA executive chairman, Nathalbert Husbands, and signed by Patrick Joseph of the Banana Salvation Committee, lists six outstanding issues.

The committee wants a change in the agreement between Geest and the Windward Islands, which the farmers say favours the British Fruit Company and discriminates against them. The letter also looks at the absence of a pension fund for the banana grwers, and the composition of the current interim board of the SLBGA.

The letter has been copied to Prime Minister John Compton, the Commissioner of Police Algernon Hemmingway, and the president of the St. Lucia Chamber of Commerce, Ornan Monplaisir. The committee has organised another mass farmers rally for Monday, when it says it will make a final decision on strike action.

Salinas on Senate Ratification of NAFTA

PA2411024393 Mexico City Radio ACIR Network Spanish 0100 GMT 24 Nov 93

[Speech by President Carlos Salinas de Gortari at Los Pinos Presidential Residence to comment on the Mexican Senate's 22 November ratification of NAFTA—live]

[Text] My fellow Mexicans: The Senate has approved NAFTA, which has been signed by Mexico, the United States, and Canada, culminating a process that began some three and one-half years ago. Let us bear in mind that in 1990 the Senate called a public debate to consider the country's relationship with other countries under what had become the new world order. Beginning at this time, all of the political parties, academicians, intellectuals, and representatives of the productive sectors participated in more than 30 public forums. The Senate recommended that the government, through its strategy of diversification, negotiate free trade agreements with northern and southern neighbors. For 40 months, a wide-ranging public debate on the subject was conducted in Congress, a debate in which the media, productive sectors, and society in general also participated. After arduous negotiations and intense debates, Mexico has completed its share in the construction of the world's largest free trade zone between sovereign nations. We have therefore ensured greater investment in Mexico, more jobs for Mexicans, and a higher standard of living for the people.

NAFTA, my fellow Mexicans, is a set of rules which will govern trade between Mexico, the United States, and Canada. These rules will gradually eliminate the barriers that are now imposed on products and services exported and imported by the three countries. Also, mechanisms are established to resolve commercial disagreements and, in turn, prevent the other two countries from imposing their own decisions on our exports.

As you know, NAFTA will go into effect in January 1994. As of this date, nearly 80 percent of the taxes the United States places on our exports will be reduced. In turn, Mexico will cut taxes on only 40 percent of what we import from our neighbors. This acknowledges our different development levels and is designed to stimulate trade. We should not expect great changes immediately. We will continue to live and work as usual. In attaining complete free trade, NAFTA envisions a 15-year program, setting various dates for productive activities to enable these activities to be updated and to increase competition.

The Mexican negotiators did responsible, serious, and quality work. They did their very best and they opened the door to every new commercial agreement that might be signed in the future in this and other regions of the world. NAFTA has been ratified by the United States and Canada. In the agreement's ratification by the Mexican Senate, we shall see the triumph of the nation.

We have proven that when we are determined to achieve something together, we achieve it; that no matter how difficult the obstacles may seem, we overcome our challenges one by one. With their serious, honest, and committed work, Mexicans are becoming genuine winners. With efforts and also with good choices, our people harvest success.

For instance, many thought we would not be able to solve the country's overindebtedness, but in 1989 we did it and became the first Latin American country to renegotiate its foreign debt. Later, there was concern about the internal debt, but we privatized public enterprises; that is to say, we used public goods to solve social problems and thus reduced our internal debt to only 10 percent of the national product.

This is important because other countries, like the United States, have an internal debt equal to 60 percent of what they produce. In some European nations, it reaches 120 percent. For us, I remind you, it is only 10 percent of our domestic product. Since we have less internal debt, we have more resources to invest in our communities.

Some thought that we would never correct the budget deficit, which distorted the country's economy. Now, since 1992, we have a surplus in public finances.

It was also believed that it was practically impossible for us to overcome the almost 200-percent inflation rate a few years ago. It will be only 8 percent in 1993 and next year it will reach the 5 percent mark.

Many thought it was impossible for diverse political parties to agree on democratic advancement, but they did. Now, since they have approved a reform in Congress, the Senate will be open to the minority parties. There will be more equitable conditions for electoral competition. We conducted a door-to-door census that registered over 90 percent of all potential voters. Right now, almost 39 million voting cards with photographs have been issued for the slightly more than 40 million citizens registered in the census.

Many thought the state's attention to the needy would not change; that we would continue to be an owner state without being a state in solidarity. Now with the Solidarity program we provide services to support production for millions of Mexicans. Today we have the highest level of social spending in our history, which has allowed us to stop the deterioration of social conditions and to begin reversing the poverty.

It was thought that it would be very difficult to begin a real reform of education or to make in-depth reforms. Today the constitutional reform that makes high school education obligatory and supports the national education system in accordance with the teachers and their union and the governors increases the quality of education throughout the country. This is essential to better

prepare our children. In 1993 we invested the highest amount invested in this century in education; the highest in this century.

Many predicted that we would not be able to act against traditions and vested interests in the fields; that we would not be able to solve the ancestral problems of the rural communities; nor the problems regarding relations and coexistence with the churches; nor the recognition of the indigenous communities; nor the defense of human rights. But Mexicans took decided action and the Constitution was reformed. The laws were modified, the institutions were modernized, and with them our attitudes and practices are changing.

We are better equipped. We already have a new mentality to build our future. We are changing, and at the same time we care about that which is most important for Mexican families: our traditions, our values, pride in our history, and love for the fatherland.

All this we have attained through our own efforts, and that is what counts because it is the only way we will continue to overcome challenges, improve ourselves, and reach a better horizon for all.

Now, with the treaty, we advance in our goal of guaranteeing our access to the markets of the world. This means, exporting more Mexican products and, with that, creating more jobs here, in our Mexico, for Mexicans.

But we do not concentrate all our efforts on just one market. The day after the ratification of the NAFTA in the U.S. House of Representatives, Mexico attained its entry into the Asia-Pacific Economic Cooperation organization, which groups the most economically dynamic nations of the world such as the four tigers of the Asia Pacific region.

Now we are there. We are a part of the association. Soon we also will be part of the OECD , which groups together the world's most developed economies, including the European economies. We also diversified our relations a year ago when we signed the free trade agreement with Chile. When we complete this new round of free trade negotiations, we also will include Colombia, Venezuela, and Central America as trade partners.

With positive results such as these, results that are now going into effect, diversification makes Mexico an important country in the world. Today, Mexico is more respected, and there is no doubt that we are on our way. This is why we must maintain our course and hasten our pace. There will be greater certainty when the treaty goes into effect. It will prove to be an incentive to change and to compete. It will become an additional incentive for the investment we need. Nevertheless, the agreement must not be a reason for exaggerated expectations. The agreement will promote investment, jobs, and opportunities, but we must work to make this a reality that will benefit everyone, particularly those who have less.

The government is already working to pass the agreement's benefits onto the people. As of today, we have strengthened the job training program, thereby offering greater production-related educational options through agreements with the country's corporations. I have announced greater support for the business community, particularly small and medium-sized Mexican businesses. As announced recently, interest rates will be cut by 2 percent in accordance with an agreement reached with the banks and the National Finance Bank, Inc., which will ease the burden for these small and medium-sized businesses. This will allow them to move forward with their production modernization process and to compete in this more encouraging environment we have created together.

More resources, more organization, and Procampo [expansion unknown] will encourage production in the rural areas, as well as the creation of associations and new crop varieties directed at creating specific comparative advantages, which will in turn bring more competition and a better life style for all. We have ratified the agreement, and if congress approves the budget bill, there will be lower taxes, higher minimum wages, reduced government spending, and more direct support for the fields.

My fellow Mexicans, there are still challenges ahead. The most important is to create more and better jobs. In light of all we have achieved, this is the time to reaffirm our faith in our nation, our work, and our ability to guide the situation in favor of Mexico, and it is time to be successful in whatever we attempt to accomplish. The chiefs of state of Latin America and Spain, who have telephoned me, have shared their delight in what they believe to be a victory for all. We have our feet set firmly on the ground and, thanks to what we have achieved, there is reason for hope. That is why next year will be one of work and new opportunities, certainty and continuity, and stability in political and governmental activity. It will be a year of better opportunity for you. We will strive to build, to achieve, and to better ourselves. We are optimistic, we maintain a vision of hope, and we have the strength to move toward the future. Our confidence in the Mexicans has guided us to sign all these agreements and treaties, and it is the reason for all the major changes we have begun.

Yes, Mexico is stronger today. The Mexicans of today represent a generation of change and, more importantly, a change for the better. Therefore, with the courage and determination that defines each one of us, my fellow countrymen, our actions will ensure that Mexico continues to grow with justice and democracy, and, what is more important, continues to be based on the firm foundation of our sovereignty. The country is stronger today, and this is how we will pass the nation to our children and to our children's children. Today we are making Mexico's new greatness a reality. Thank you.

Commissin Chairman, PRI, PAN Members on Vote

PA2311150593 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 23 Nov 93

[From the "Good Morning From Mexico" newscast]

[Text] With 56 votes in favor from the PRI [Institutional Revolutionary Party] and PAN [National Action Party] and two against from the PRD [Party of the Democratic Revolution], at 2246 last night the Mexican Senate approved confirmation of the North American Free Trade Agreement and the accords on environmental cooperation and labor affairs. These international agreements will go into effect on 1 January 1994.

On behalf of the eight advisory commissions, Carlos Sales Gutierrez, chairman of the Commerce and Industrial Development Commission, asked the plenum to approve an instrument of exceptional value which, if it is used well, will transform the national economy and enhance production and productivity and with them Mexico's work force and incomes.

[Begin Sales recording] The agreement will not do everything automatically or immediately; on the contrary, it is a challenge that makes it recommendable for us to review our strategies, technologies, and forms of organization. Certain businesses, in which Mexico is not competitive, will face difficulties, while others will grow considerably. [end recording]

Thirty senators, 29 from the PRI and one from PAN, registered to explain their votes in favor, while the two members of the PRD registered to do the opposite.

[Begin recording] [Roberto Gonzalez of the PRD] The fact that we are a minority does not discourage us from rejecting opinions in favor of the treaty.

[Hector Teran of PAN] Those of us who are PAN members accept free trade, because we believe freedom is a fundamental part of man's duties. [end recording]

The only confrontation that occurred during the unusually lengthy senatorial debate was between PRD leader Porfirio Munoz Ledo and PRI member Carlos Sales Gutierrez, one of the leading NAFTA promoters.

[Begin recording] [Munoz Ledo] Due to its structure and intent, it is a colonial pact because of the terms on which it was agreed upon and its implications on the country's sovereignty. It is unacceptable that the Senate refused to debate it chapter by chapter.

[Sales] I admit.... [pauses] (?Madame President), this time it is my turn to speak. Speeches are made from here, Mr. Senator. Speeches are made here. I have the floor. As I was saying, you said a lot of nonsense, and I allowed you to speak; allow me to speak now.

I acknowledge the pain which Mr. Munoz Ledo has come to this forum with because he has suffered two consecutive slights and they have proven to be too much for his ego. First, Mr. Perot did not ask him to exchange calling cards [tarjetear] with him, and second, Mr. Cuauhtemoc Cardenas backed out on him because he prefers to invent problems instead of facing the Mexican people. [end recording]

Mexican Commerce Secretary: No Renegotiation

PA2411042193 Mexico City Radio ACIR Network in Spanish 0200 GMT 24 Nov 93

[Report by Alma Rosa Baez from the "Investing in Mexico" program]

[Text] Commerce and Industrial Development Secretary Jaime Serra Puche has reiterated that NAFTA will not be renegotiated even if some people in Canada want a review of the chapters on energy and the environment.

During an interview conducted within the framework of the seminar on NAFTA, which was organized by the Federation of Chambers of Industries, Serra Puche said the Mexican Government has been in touch with Canadian Prime Minister Jean Chretien from the moment he took office, adding that there is no possibility of any complication preventing NAFTA's implementation on 1 January 1994.

Jaime Serra Puche said that with NAFTA's approval by the Mexican and U.S. Senates, an intense information campaign will be carried out within the Mexican industrial sector. The objective is, he said, to make sure the productive sector knows NAFTA in detail to enable it to take full advantage of the trade agreement.

Canadian Prime Minister Seeks Clarifications

LD2311220893 Montreal Radio Canada International in English 2130 GMT 23 Nov 93

[Excerpt] The North American Free Trade Agreement has cleared its final legislative hurdle. Last night the Mexican Senate overwhelmingly approved the NAFTA Bill. Only one obstacle remains to be overcome before the deal to create the world's largest trading bloc can take effect. Canada's new Prime Minister Jean Chretien has demanded that some sections of the treaty be clarified and others strengthened before Canada will proclaim the NAFTA Bill into law.

Canada's Trade Minister Roy McLaren says he is optimistic that will be done in time for the treaty to take effect as scheduled on 1 January. [passage omitted]

Central American Countries To Seek Participation

PA2311192193 Mexico City NOTIMEX in Spanish 1730 GMT 23 Nov 93

[Excerpts] San Jose, 23 Nov (NOTIMEX)—The Central American countries will submit a proposal to the United States to be allowed to participate in the North American Free Trade Agreement, Costa Rican President Rafael Angel Calderon has stated. To that effect, the area

presidents will meet 29 November in Miami to define a joint strategy to submit to U.S. President Bill Clinton the request to join the U.S. commercial agreement.

Clinton has invited the area heads of state to travel for a few hours on 30 November to Washington to attend a working lunch meeting at the White House. In Florida, the isthmus presidents will meet for two days with the southern governors to seek greater economic ties. Calderon has received a letter from President Clinton on the possibilities of increasing Costa Rica's commercial ties with the countries that signed NAFTA (Mexico, Canada, and the United States). [passage omitted]

We are going to coordinate the proposal the Central American presidents will make to the U.S. President during our meeting on 30 November, Calderon stated. He said that that meeting will be Clinton's first formal and direct contact with Central America. "We must take advantage of it, because we are seeking market opportunities; that is what we need, markets to improve production and have to a better standard of living," the Costa Rican leader said.

He reiterated that "all of us are interested in participating in the treaty, and as far we are concerned we are doing our best so that Costa Rica can join, although that goal is many years off."

Editorial Views Implications for Brazil

PY2011193093 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Nov 93 p A3

[Editorial from the "Notes and Information" page: "The NAFTA Prospects"]

[Text] A huge step has been taken to adapt the political-institutional structures to the new production system based on a global economy: The approval of NAFTA [North American Free Trade Agreement] by the U.S. House of Representatives (its ratification by the Senate is regarded as certain) creates one of the largest integrated markets in the modern world and, almost definitely, consolidates the division of the world into three major economic blocs: the European Unity (the name given to the EC after the ratification and implementation of the Maastricht Agreement), NAFTA (Canada, the United States, and Mexico), and the Asian countries. The expansion of the markets as a result of the lowering of tariff barriers is in keeping with the main characteristics of the production system that has been called the "globalization of the economy." With this, the borders (that is, the old concept of sovereignty) tend to be replaced by units integrated into the major new socio-economic blocs. Notwithstanding this—let there be no doubt about it whatsoever—the new megablocs will continue to further protectionism in so far as their members will try to impose their economic and political demands on them. The ideal that seeks to "map out" world production through market expansion and concerted action by multinationals is still far from being attained, but the foundation for reviewing the 18th-century concept of sovereignty has already been laid. It is difficult to know for certain where Russia fits in as a market. The European Union has established conditions for promoting more fluid trade between Eastern European countries, including Russia, and Europe. This does not mean, however, that European markets are totally open to integrate Russian, Polish, Hungarian, Czech, or Slovak products. Although still far away, Charles de Gaulle's dream of a "Europe extending from the Atlantic Ocean to the Ural mountain range" should not be disregarded by analyses of future prospects. Likewise, it is possible to surmise that the expansion of Japanese investments in eastern Russia—which would modify geopolitical and geostrategic analyses—will be politically checked by the decision made by the Russian Government of not returning the Kuril Islands to Japan.

The establishment of a great North American market has once again brought to the forefront the idea of setting up a free trade zone between the Americas. NAFTA will, as expected, soon lure Chile and Caribbean rim countries, especially Colombia and Venezuela. Argentina finds itself in a situation that French humor used to couch in the following terms: "between both of them, my heart is in a quandary about whom to choose"—the two of them being NAFTA and Mercosur [Common Market of the South]. Despite the fact that the issue is under study at the Foreign Ministry, Brazil has not yet adopted a stance on the new strategic picture that the establishment of NAFTA has set everybody thinking about. The fact of the matter is that while Chile and Argentina would stand to gain—as far as their foreign trade is concerned—were they to join NAFTA, the establishment of this new bloc in its present form may bring about, as it currently is doing, considerable losses for Brazil. Strictly speaking, President Clinton had to bow to entrenched interests in Congress to secure the necessary votes to ratify the treaty, and thus he defended industries that compete with Brazilian ones. Orange juice, for instance, will be one of the first exports to suffer the consequences of the approval of the phasing out of customs duties for Mexican orange juice. Possibly, this may not spell disaster for Brazilian producers, but the interests of Florida producers carry more weight than the much-vaunted Western Hemispheric solidarity, especially since it would have been much more difficult to ratify the treaty without their votes. With regard to investments, NAFTA will be more interesting than Mercosur, which in turn is detrimental to Brazil's interests.

Now that the integration of the three NAFTA members' economies is in the process of becoming a reality, trade among different blocs may be hampered (depending on the results of the Uruguay Round), but the new integration process will be instrumental in facilitating the transfer of production facilities from other countries to ward off possible crises on the markets that were prevalent in days gone by. NAFTA will tend to absorb and incorporate the economies of Brazil's northern neighbors, besides Chile and surely Argentina, while at the

same time it will defend its domestic interests, which are wisely put before any other consideration imposed by treaties or the like. The Brazilian Government—the executive, the legislative branch, producers, and workers—will have to find its niche within this new framework. The truth is, let us call a spade a spade, that with the establishment of NAFTA and the possibility of incorporating other Latin American countries in that free trade zone, Brazil will, by virtue of its potential market, be either a fulcrum or a stumbling block for that decisive step toward the globalization or regionalization of the economy that NAFTA represents. The odd and complex mechanisms of international politics will force Brazil to take a stance on an issue it has always tried to skirt, namely the United States of America, which has now become a geo-macroeconomic reality rather than a manifestation of a great power's Manifest Destiny.

Uruguayan President Telegrams Clinton, Salinas

PY2311231193 Montevideo EL PAIS in Spanish 19 Nov 93 p 9

[Text] On the occasion of the approval of NAFTA by the U.S. Congress, Uruguayan President Luis Alberto Lacalle sent two telegrams to the presidents of the United States, Bill Clinton, and Mexico, Carlos Salinas de Gortari, stating the following:

Mr. President of the United States of America
Bill Clinton

Now that the integration of North America has been approved, I wish to congratulate you for this first achievement of economic cooperation, which makes us hope for a future of greater cooperation and greater trade among American nations.

I hope that a just final decision at the Uruguay round of the GATT talks will complete this promising panorama for the increasing prosperity of all world countries, through increasing trade opportunities for each and every country of the world.

Cordial greetings from
[signed] Dr. Luis ALberto Lacalle

Mr. President of Mexico
Carlos Salinas de Gortari
Dear Carlos:

In view of the successful approval of the free trade treaty with Canada and the United States, I want to extend to you my warmest congratulations for this achievement which is, to a large extent, the result of your clear vision of the future, your political courage, and your personal consistency.

A hug from
[signed] Dr. Luis Alberto Lacalle

Editorial Welcomes NAFTA

PY2311230493 Montevideo EL PAIS in Spanish 19 Nov 93 p 6

[Editorial: "For History"]

[Text] For many years relations between the United States and Latin America were very difficult. It would be too time consuming to describe this period, although there were only a few episodes that really stood out.

Since the times of Roosevelt and the "good neighbor" during the 1930's, things began to change, and relations between North America and South America took new directions.

Things continued in that way through several stages, always leading toward improvement. And then came Kennedy's Alliance for Progress. Later, Bush decided to begin preparing the free trade treaty with Canada and Mexico, which has now become a reality.

Just a few minutes ago the U.S. Congress approved the said treaty, a fact that can be considered historic not only because it brings closer together the economies of Canada, Mexico, and the United States, but it also creates a powerful bloc, implying at the same time a tremendous transformation in the political-economic panorama of America and of the world.

The American continent has thus acquired a new profile, after having suffered for years a tough separation between North and South. With this we can observe a new future filled with hopes and possibilities which will, step by step, be yielding benefits, not only to the participants of the treaty, but also to the entire continent.

Thus, we hope this will be the way for all of us, inhabitants in this part of the world who following the example of NAFTA, to be able to expand our horizons and overcome our differences to become one single economic bloc, which will only provide security and prosperity for all the American peoples.

Czech Prime Minister Klaus Analyzes U.S. Vote

AU2311131993 Prague DENNI TELEGRAF in Czech 20 Nov 93 pp 1, 3

[Interview with Czech Prime Minister Vaclav Klaus by Viktor Krejci; place and date not given: "The Vote in the U.S. Congress Will Influence U.S. Domestic Policy"]

[Excerpt] [Krejci] The U.S. Congress approved the agreement on establishing a free trade zone comprising the United States, Mexico, and Canada. Could you comment on this fact within the context of the GATT talks?

[Klaus] When I was in Mexico last month, I said that it would be horrific and scandalous for the world economy if the U.S. Congress did not approve NAFTA. Mexico, which was working very hard for the agreement to be approved, liked to hear this, of course, and, for a few

days, these words of mine found themselves on the front pages of all Mexican dailies and at the beginning of news programs of various Mexican television channels. The signal that has come from the United States is positive and I hope that it will also serve as a motivation to bring the GATT talks to a successful conclusion. I do not view this matter as pessimistically as a number of world commentators and believe that, one day before the 15th of December, all the interested parties will, after all, definitely arrive at some kind of a consensus.

While discussing this topic, I would like to point out that, while the voting results in the U.S. Congress are good for the world, on the other hand, they presage, in my opinion, certain complications in internal American policy. The overall ratio of 234 pro-NAFTA votes against 200 anti-NAFTA votes, which is being interpreted as a great victory for President Clinton and as a distinct majority, is no distinct majority, in my opinion, given such an undisputed cause. I would rather call it a so-so victory. The structure of this vote is also very significant. While people defending the free market and freedom of trade—that is, representatives of the Republican Party—were 132 to 43 in favor of NAFTA, or rather the ratio was approximately 3:1, Clinton's Democratic Party essentially rejected NAFTA by 102 to 156 votes. This is an enormous disproportion suggesting that, essentially, the U.S. Democratic Party voted against this integration with Mexico and Canada. For me, this is a very important piece of information and it is, surely, an important factor for the domestic political situation in the United States as well.

While, at this moment, this is a victory for President Clinton, who knows how this will influence the domestic policy of the U.S. Democratic Party, the Congress, and the United States at large. [passage omitted]

EC Deputy Warns of NAFTA's Concessions

AU2311132193 Prague CESKY DENIK in Czech 20 Nov 93 p 2

[Report signed "iza": "Adriessen: NAFTA's Ratification Is Positive, But With Reservations"]

[Excerpt] Prague— While addressing the "European Future for Central Europe" international conference yesterday, Frans Adriessen, former deputy chairman of the EC Commission, described the North American Free Trade Agreement (NAFTA) as on the whole positive.

He added, however, that, to a certain extent, U.S. President Bill Clinton has "bought" it for protectionist concessions that preserve protective barriers for Florida citrus growers against imports from Mexico and for American producers of pasta against imports from Canada. Should similar exemptions be repeated, it could jeopardize the advantageousness of free trade agreements on the global scale, Adriessen said. [passage omitted]

Helsinki Daily Views Clinton NAFTA 'Victory'

PM2311143693 Helsinki HUFVUDSTADSBLADET in Swedish 19 Nov 93 p 2

[Editorial by Rafael Paro: "Important Victory for Bill Clinton"]

[Text] The tug-of-war in the U.S. House of Representatives over the North American Free Trade Agreement, NAFTA, was decided by a clearer margin than expected. This clear victory strengthens President Bill Clinton's position considerably. He won support across party boundaries in a way which boosts his position as a president for all the people and not just a president for the Democrats who voted for him.

Even though it is to be expected that many opponents of NAFTA will maintain Clinton emerged from this tug-of-war somewhat the worse for wear and that the horse trading for the votes of the House of Representatives will cost the taxpayer a great deal, the fact remains: Clinton and his administration succeeded in asserting themselves once again, despite the tight situation. As far as the rest of the world is concerned, it can be said that Clinton succeeded in asserting his authority, which had suffered somewhat in the last few months' international debate on U.S. foreign policy.

Against the background of European parliamentary democracy it undoubtedly looks a little remarkable that President and head of government Clinton won more devoted support from Republican circles than from his own Democrats, the majority group in the House of Representatives. Some 132 Republicans voted for NAFTA, while only 43 voted against. Of the Democrats only 102 voted for, while a total of 156 voted against.

Such a result is not unique in the United States and it is a reminder that group decisions and group discipline of the type found in Europe are not to be found in the American political system. The bigger and more important the questions on which Congress has to make up its mind, the more certain it is that the President and his administration will have to gather support across party boundaries.

As far as NAFTA is concerned it should also be remembered that it was a project set in motion during the Republican era in the White House. It was a legacy which Clinton's Democratic administration took over and which it now wanted to finally settle. Somewhat schematically it can be said that the whole of the old and the new political establishment in the United States supported the Clinton line on NAFTA. The opposition derived its strength from trade union interests, purely protectionist and populist sentiments, and strong local concerns about employment and agriculture, for example.

NAFTA removes import duties and other obstacles to the exchange of goods, services, and investments—in some cases with a transitional period of 10 to 15 years.

The agreement is reminiscent in many respects of the EEA [European Economic Area] agreement which Finland and other EFTA [European Free Trade Association] countries negotiated with the EC.

The vote in Washington will have an effect on the overall development of international trade and the international economy. In various places throughout the world people are being forced to realize that a free trade agreement, which embraces the United States, Canada, and Mexico—a trading region embracing 360 million people—cannot fail to have a considerable effect on world trade.

However, what is free trade for certain nations can easily become a protectionist barrier for those outside.

Currently in Seattle, an authoritative economic cooperation forum for Asia and the Pacific region, APEC (Asia-Pacific Economic Cooperation), is meeting. The meeting of the 15 countries' leaders is described as the seed of a new economic community. These countries—including Japan, China, Australia, New Zealand, and the southeast Asian "tigers" plus the United States—together represent 35 percent of world trade and their total GNP is more than twice that of the EC countries.

It would have been extremely embarrassing for Clinton to have had to host this brilliant gathering, had he not succeeded in pushing through the NAFTA agreement in Congress. This not only would have shown that he was a weak president. It would have also given rise to many embarrassing questions among the other APEC countries.

But the most troublesome question is still hanging in the air: How much is the Americans' talk of free trade really worth, when the question of a free trade agreement with developing nation Mexico (with a GNP only 5 percent of that of the United States) gave rise to such violent protectionist emotions as those seen in the debate on the NAFTA agreement?

When it comes down to it, the question being asked in Asia and in Latin America and Europe is: What is the real aim of NAFTA? For example, automobile manufacturers may latch onto the fact that Mexico's growing economy is now being opened up to automobile imports. But in order to enjoy the advantages of free trade, at least 62.5 percent of automobile components must come from North America. This is a rule which probably came about expressly to prevent Japanese manufacturers from exploiting the agreement.

Both the NAFTA agreement and Washington's increasingly strong emphasis on its interest in cooperation with the strongly expanding economies in Asia are a powerful signal to Europe. The U.S. demands for concessions in the GATT negotiations will become tougher and Europe's internal divisions increase. Clinton has succeeded in indicating that he is not without alternatives if the EC digs in its heels.

Munich Daily Views Clinton's Victory

AU1911145593 Munich SUEDDEUTSCHE ZEITUNG in German 19 Nov 93 p 4

[Editorial by Josef Joffe: "Defeat of Isolationism"]

[Text] Everything else but the surprisingly loud "yes" to the North American Free Trade Agreement would have been a disaster—for Bill Clinton, for U.S. foreign policy, and for free trade.

If he had not succeeded in turning the apparently inevitable defeat in the House of Representatives into a 34-vote majority, Bill Clinton would have landed in the political intensive care unit. On 15 November he could read the political warning in THE WASHINGTON POST, which wrote that the results of an opinion poll showed that no more than 49 percent of the electorate was satisfied with him. This was the poorest result for a president (after one year in office) since World War II.

So Clinton this week demonstrated a combination of diligence, leadership, and sheer persuasiveness, which hardly anyone would have believed him capable of. Nonetheless, the victory (234 against 200 votes) was not gratis. The more the date of the vote approached, the higher the price for the next "yes," and it was paid in a currency that in civilian life we call "corruption," but in political life we describe with the Latin phrase, "do ut des" [I give so that you may give]. The representatives from Florida were promised protection against winter vegetables from Mexico, and the northwestern prairie states hurdles against cheaper Canadian wheat. A Republican representative grumbled that the persuasive operation allegedly cost several billion dollars.

The effort has in any case been worthwhile in the foreign policy area because a defeat in Congress would have demonstrated worldwide that Washington is unable to keep to agreements concluded. What is even worse is that the U.S. free trade message would suddenly have sounded terribly hollow—above all in the "Uruguay Round" in which a liberalization agreement has been discussed for seven years. Finally, a vote against NAFTA would have sent a strong signal of isolationism to the world and would have, thus, enhanced the illusion that the United States might try its luck in isolationism, and it would have encouraged protectionist imitators.

It is an irony that the matter would by no means have justified this exorbitant price of rejection. There is a de facto free trade zone between Manitoba and Merida (a free trade agreement between Canada and the United States has long been in force, and Mexico has unilaterally decreased its high customs duties). In view of the 2.2 million new jobs that have been created this year alone, it is of no importance whether several hundred thousand jobs will be created or lost over the next five years, as the proponents and opponents have claimed.

The most important aspects are symbolism and a trial of strength—between Clinton and the populist would-be

president, Ross Perot; between the internationalist and the trade-unionist wings in the Democratic Party; between the flourishing and the lame industries in the United States. On 17 November, protectionism lost and Clinton won a battle. This is good for Clinton and good for world trade.

Milan Daily on Potential Impact on World Trade

BR2311122393 Milan IL SOLE 24 ORE in Italian 20 Nov 93 p 3

[Article by Renato Ruggiero: "A New Bond Between Europe and USA"]

[Text] It is highly probable that 17 and 18 November 1993 will go down in world economic history as dates signaling a major turning point. The United States House of Representatives' vote in favor of ratification of the North American Free Trade Agreement (NAFTA) undoubtedly had a significance that went far beyond the strictly commercial aspects of the issue.

At the domestic level, President Clinton's prestige was at stake. At the foreign policy level, the NAFTA debate embraced topics that would have had an immediate repercussion on the other major event that took place last Wednesday and Thursday, the APEC [Asia-Pacific Economic Cooperation] conference in Seattle attended by President Clinton, a summit held to organize economic cooperation among some of the leading countries of Asia and the Pacific basin: United States, Canada, Japan, the three Chinas (Hong Kong, Taiwan, and the People's Republic of China), Australia, New Zealand, and the six ASEAN [Association of Southeast Asian Nations] countries: Indonesia, Malaysia, Thailand, the Philippines, South Korea, and Singapore.

If the House of Representatives had refused to ratify NAFTA, President Clinton would have found it very difficult to put proposals for regional economic cooperation to the Asian countries. But the repercussions on the organization of world trade and the existing regional blocs would have been even more serious. Indeed, a vote against would have been motivated by the NAFTA opponents' argument that such agreements create unemployment, not jobs, and put a brake on economic growth instead of boosting it.

However, this did not happen, and there are now two great regional blocs with enormous growth potential on the international economic scene. First we have the European union, which is set to expand, via a variety of institutional formulas, to the countries of central and eastern Europe, and even to Russia itself along with some of the former USSR republics. The European union has for some time shown a similar approach to several Mediterranean countries, while preferential trade agreements have been in place for years with the other Maghrebi and Mashraki countries. In addition to the European bloc, with all its potential, we now have another major regional grouping, NAFTA, emerging across the Atlantic, with a vast potential for expansion southward into Latin America.

However, if we consider the future and the nature of many American economic interests, an even more important aspect is the possibility that NAFTA and APEC may join forces to create an increasingly wide and deeply rooted network of free trade agreements with the Asian and Pacific basin countries as well. In view of this prospect, we may wonder if we are still moving toward a tripolar economic world (Europe, North America, and Japan) or whether we should not think rather in terms of a bipolar world with the European bloc on one side, and the North America, Asia, and Pacific basin bloc on the other.

The attraction exerted by Asia now seems to be a constant feature of the new American administration's policies. It clearly looks as if the Asian preference is continuing to grow while attention paid to Europe remains static. Asia is, in any case, the major economic growth area. The Asian "tigers" such as Hong Kong, Singapore, Taiwan, and South Korea showed a 9-percent annual growth rate during the seventies, 8.8 percent in the eighties, and 7 percent from 1991 to 1993 in spite of the deep world recession. Chinese growth is even more impressive: 7.9 percent in the seventies, 10.1 percent in the eighties, and 9.2 percent from 1991 to 1993.

Trade between the United States and the Asia-Pacific area is already 50 percent greater than between Europe and the United States; output per head of population in Asia doubles every 10 years, and savings exceed 30 percent of the gross domestic product. But that's not all: The population aged between 20 and 40 will decrease in the United States, Europe, and Japan as well by the end of the century, whereas it will increase in all the other Asian and Pacific basin countries.

This is the perspective in which we must view these two major trans-Atlantic events: the birth of this vast free trade area comprising Canada, Mexico, and the United States, and the organization of increasing economic cooperation among the APEC countries. The way ahead will certainly not be easy. Fears springing from the vastly superior American economic and political power are rife in the Asian countries involved. But the process is beginning, and it poses an enormous challenge to us Europeans, not only with regard to trade but at the political and security levels as well.

The balance among the various ethnic groups is also changing in the United States. The Latin American and Asian groups are becoming increasingly important and dynamic, with the European group losing ground. It would thus be extremely serious if, from now on, the increasing economic attraction exerted on the United States by Latin America and Asia were to lead to a loosening of the vital bond between Europe and the United States.

In the light of the foregoing, a positive conclusion to the Uraguay Round of the GATT [General Agreement on

Tariffs and Trade] talks by 15 December becomes an even more pressing necessity. Only then can we strengthen the multilateral trading system to counter this great development of regional blocs and consolidate the bridge between Europe and the United States to safeguard our relationship with the other shore of the Atlantic.

Moscow Daily Views Implications of NAFTA

MK1911115093 Moscow NEZAVISIMAYA GAZETA in Russian 19 Nov 93 p 2

[Report by Karen Khachaturov under the "Carte Blanche" rubric: "NAFTA Begins Life. Clinton Plays Mexican Card, Weakens Russian One"]

[Text] Not only the Russian president, but his American counterpart too has promised his countrymen a "fall offensive." The goal of this offensive in the United States was to have the North American Trade Agreement (NAFTA) ratified by the House of Representatives. NEZAVISIMAYA GAZETA has reported (see the issue of 20 August) on this ambitious plan for creating the largest common market in the world, involving the United States, Canada, and Mexico with an annual trade turnover of $6.4 trillion. Despite forecasts that did not favor Bill Clinton, on 17 November the House of Representatives said "Yes" to NAFTA by a 234-200 vote; this has been the president's biggest success both in foreign and domestic policy.

The president was helped by his steadfastness, resolve, what he called a "missionary" large-scale campaign aimed at explaining the benefits of NAFTA, the effort to shape public opinion as a whole and by parts, including each unreliable congressman, and also the ingenuity and logic of Vice President Albert Gore during a televised debate. Here are the main arguments in favor of NAFTA: The agreement will help raise the gross domestic product and create new jobs, and it will also help expand economic integration under the U.S. aegis onto the entire Western hemisphere in the longer run.

Particular importance was attached to playing the Mexican card. Presently, Mexico is the United States' most important trade partner. An average Mexican spends annually $450 to buy American-made goods—more than in any other country except Canada—and this figure will rise after customs tariffs are reduced and later eliminated. By 1995, the two countries' bilateral trade may reach $60 billion. Integration with Mexico will make it possible to press Asian competitors from the U.S. domestic market somewhat and will make its willful southern neighbor more compliant.

Clinton and his entourage depicted dire prospects if NAFTA was not ratified. "I can tell everybody with assurance that the consequences of turning down this agreement would have been disastrous, tantamount to inviting the U.S.' competitors from Europe and Asia to settle down in Mexico," Secretary of State Warren Christopher asserted. Listing six strategic priorities of U.S. foreign policy at the Senate Foreign Affairs Committee, he mentioned economic security first, with NAFTA taking priority within it. Clinton emphasized that a rejection of NAFTA would jeopardize the U.S. leadership role. The president warned: "We may lose not only economic, but also political opportunities to promote democracy, freedom, and stability in our hemisphere." On the eve of ratification, former secretaries of state and Presidents Gerald Ford, Jimmy Carter, and George Bush came together to the White House to give their backing to Clinton in public. Within a short period of time he managed to win over many intransigent congressmen.

NAFTA has caused a split in the Democratic Party, whose majority in the House of Representatives opposed the agreement. According to assessments by a substantial part of congressmen, NAFTA threatens the United States because: The transfer of businesses to Mexico with its much cheaper labor force will boost unemployment at home at a time of unfavorable economic conditions in the world; the effects of an industrial boom in northern Mexico will be an environmental hazard for neighboring U.S. states; the lifting of customs restrictions will render Mexico a transshipment point for drug trafficking. It does not behoove the bulwark of world democracy to unite itself with a neighbor where corruption is rife and where power has been monopolized by one political party for over six decades. David Bonior, Democratic whip in the House of Representatives, who headed NAFTA opponents in the House, commented on skeptical sentiments with regard to the agreement as follows: "We should strive to bring Mexico's living standards up to ours, not let our standards drop down to Mexico's." "My state will not benefit from this" was how Kent Conrad, Democratic Senator from North Dakota, summed up most congressmen's negative attitude to integration with Mexico. When the voting was under way, their electorates and the trade union weight of the influential AFL-CIO were invisibly standing behind each legislator.

The rather unfavorable—for Clinton—consequences of backing away from the ratification of NAFTA were also discernible in the longer run. First of all, this would have meant the President's personal defeat, which would have sent his approval rating, already damaged by his bungling in Somalia and Haiti, plummeting both at home and particularly in Mexico. That country pins hopes on NAFTA for achieving the United States' current economic level in three decades or so. President Salinas de Gortari, who has been betting on NAFTA, started speaking about the need to diversify Mexico's economic ties, including with Japan, on ratification's eve. NAFTA's failure would have played into the hands of large South American countries. Brazil sees NAFTA as an obstacle on the path of South America's integration. Argentina has been justifiably concerned over its agricultural exports to the United States and Mexico. Canada, too, which considers itself an odd man out in NAFTA, would have hardly been dissatisfied, given that there has always been opposition to the agreement in the

country and that the new prime minister, Jean Chretien, has been urging its renegotiation. Clinton's weakening at home would not have helped his already timid support for reform in Russia, given that NAFTA would impose certain restrictions on our country's as yet paltry trade with the troika of NAFTA signatories.

Presently, however, all the negative fallout that might have been produced by NAFTA's failure is a thing of the past. The most formidable barrier has been surmounted. The Senate has a more positive view on the agreement than the House. In Canada, the agreement has been approved by parliament, and what remains to be done is a pure formality—a signature by the governor general. In Mexico, ratification is all but sealed. So, NAFTA has embarked on a bumpy, but promising road.

London Daily Views U.S. Ratification

PM1911110893 London THE DAILY TELEGRAPH in English 19 Nov 93 p 20

[Editorial: "Trading Favours"]

[Text] Both President Clinton and the world trading system have been given a much-needed boosts by the ratification of the North American Free Trade Agreement (Nafta). The fact that the US House of Representatives voted for the measure by a larger-than-expected majority will be further cause for satisfaction in the White House, where it was feared that failure would do irreparable damage to an already shaky Administration. Although the difficulties in securing the passage of Nafta were largely self-inflicted, the outcome can none the less be attributed to Mr Clinton's perseverance. Moreover, it again shows that when confronted with issues of great magnitude (such as the decision to renew the draft by a single vote just before Pearl Harbor, or the Gulf war vote of 1991) Congress can behave responsibly. This is exemplified by the overwhelming support the accord received from the Republican minority.

Yet a president's skill in such contests lies not just in achieving victory but also in minimising the price which the legislative branch can extort from him in the process. This will inevitably have consequences for other policies, notably securing a Gatt accord. When elected, liberals hoped that Mr Clinton would be a manipulator of Congress on a par with franklin Roosevelt or Lyndon Johnson. However, legislators representing special interest groups such as fruit farmers have been able to extort billions of dollars worth of concessions in exchange for supporting Nafta. Indeed, the ultimate cost of reconciling organised labour to Nafta may well be. Administration support for the unions' most expensive pet projects, including a national minimum wage. Of greater concern to America's non-Nafta trading partners is the nationalistic vocabulary which the Administration employed to attract wavering congressmen and diminish the anxieties of the protectionists. It was frequently asserted by Mr Clinton's supporters that if Nafta was not ratified, Japanese goods would penetrate the Mexican market, so flooding America through the back door. Worse still, the Administration's failure to enter the Nafta debate sooner enabled protectionist groups to coalesce into a broad-based opposition to free trade which may prove permanent. The prospect of renewed pressure from these sources may well make congressmen reluctant to grant the Administration "fast-track" negotiating authority in future trade agreements, whether to extend Nafta to other Latin American nations, or for a further round of Gatt talks.

If such forces are not to regain the initiative, Mr Clinton must act swiftly, both at home and abroad. Where possible, he must maintain the newly forged bi-partisan coalition with the Republicans. This will serve his legislative agenda better than the "Democrats-only" strategy of the early months of his presidency. Further-more, he must declare that far from this being the last such effort, the agreement with Mexico and Canada is merely the first step towards realising the vision of a tariff-free hemisphere, from the Arctic Circle to Tierra del Fuego. Mr Clinton should immediately declare his intention to negotiate similar accords with the two most promising Latin American economies, namely Argentina and Chile. Not only would this demonstrate his ability to adhere to a consistent line of policy. It would also help to convince the French and other recalcitrant interlocutors in the Gatt talks that he has other options available.

Meeting Called To Hear University Workers' Demands

PA2311141493 Mexico City XEW Television Network in Spanish 0430 GMT 23 Nov 93

[From the "24 Hours" newscast]

[Text] For the second time this year, the San Lazaro Legislative Palace was the scene of another violent incident. The first incident occurred this past 18 August when members of the Federal District Popular Urban Movement and Neighborhood Assemblies trashed the Congress building and ignored Congress' inviolability principle by taking over the permanent commission building.

Today, a group of more than 1,000 members of the Trade Union of Workers of the National Autonomous University of Mexico [STUNAM] decided to violently commandeer the Chamber of Deputies session facilities. The incident occurred when Pedro Aspe Armella, secretary of finance and public credit, was about to address Congress. STUNAM union members proceeded to break the main gate locks and started shouting from the vestibule of the session hall, forcing Deputies Chamber President Hugo Andres Araujo to call a recess until the protesters had quieted down.

All of this happened between 1130 and 1430 in the afternoon. The protesters are demanding wage increases and reject an authorized 5-percent salary increase. While recess was in progress, the union members clashed with the Chamber of Deputies security agents and forced their way into the session hall; fortunately, they were unable to invade the main hall.

During this time, a meeting was called to listen to STUNAM demands. The meeting took place in the offices of Maria de Los Angeles Moreno, president of the Chambers of Deputies Grand Commission, between union members and all of the deputies involved in STUNAM salary issues in addition to Finance Secretary Pedro Aspe.

The deputies offered to evaluate union demands as well as analyze the possibility of improving the budget item related to university issues. Once STUNAM Federal Deputy Nicolas Olivos Cuellar disclosed the proposal to the union members, the protesters decided to abandon the session hall, allowing Finance Secretary Aspe to continue with his presentation.

Five agents were injured in the clashes between STUNAM members and security personnel. Coordinators of the six political parties proceeded to condemn the incidents.

Salinas Meets With Austrian Chancellor, U.S. Businessmen

PA2311154793 Mexico City XEW Television Network in Spanish 0430 GMT 23 Nov 93

[From the "24 Hours" newscast]

[Text] President Carlos Salinas de Gortari has met with a delegation of businessmen from the United States. He also met with Franz Vranitzky, chancellor of the Republic of Austria, at Los Pinos official residence. Vranitzky is officially visiting Mexico. At the Benito Juarez Room, Chancellor Vranitzky told President Salinas of Austria's interest to increase economic and commercial relations with Mexico, adding that NAFTA's implementation will contribute to fair and just world trade.

President Salinas met later at La Percola with representatives of Solidarity Committees who delivered to him the conclusion of the courses of the National Institute of Solidarity, which were also attended by seven representatives of the Republic of El Salvador and Mexican public officials. During the meeting, President Salinas was accompanied by Luis Donaldo Colosio, social development secretary; Carlos Rojas, general coordinator of the National Solidarity Program; and Marco Antonio Bernal, president of the National Institute of Solidarity.

At the Venustiano Carranza Room, Salinas met later with a delegation of 32 businessmen from Houston, Texas, who congratulated him on the Senate and U.S. House of Representatives approval of NAFTA. During the afternoon, President Salinas met with the new Labor Congress Board of Directors, led by Fidel Velasquez, CTM [Confederation of Mexican Workers] leader.

In the Manuel Avila Camacho Room, President Salinas de Gortari held a dinner in honor of Austrian Chancellor Franz Vranitzky. President Salinas said that Mexico and Austria are countries united by a desire for peace.

[Begin Salinas recording] During these times of transformation, the historic and artistic wealth of both peoples strengthen us to face our challenge. We share the same aspiration to build just, free societies and to make world peace the essence of coexistence among men and peoples. [end recording]

Salinas said that in 1992 Austrian exports to Mexico totaled over $180 million, while Mexico exported $50 million worth of goods to Austria. Vranitzky congratulated President Salinas on the U.S. legislative ratification of NAFTA.

[Begin Vranitzky recording, in German with superimposed Spanish translation] Your country's dynamism and political prosperity has made it one of the most attractive economic partners on the American Continent. [end recording]

Vranitzky added that NAFTA will lay the foundations for the prosperity and permanent growth of the Mexican economy, as well as for economic and social stability. Also present at the dinner were Foreign Relations Secretary Fernando Solana and Government Secretary Jose Patrocinio Gonzalez Blanco-Garrido, as well as (Klaut Heler), Mexican ambassador to Austria, and (Peter Hongefelner), Austrian ambassador to Mexico.

Vranitzky: 'Economic Dynamism'

AU2311141993 Vienna DER STANDARD in German 23 Nov 93 p 4

[Report by Erhard Stackl: "American-Pacific Dynamism"]

[Text] Federal Chancellor Franz Vranitzky began his official visit to the Mexican capital on Monday [22 November] by holding private talk with Mexican President Carlos Salinas de Gortari. After his talks in the presidential palace "Los Pinos," Vranitzky said that he immediately pointed to the economic dynamism that has made Mexico Austria's most import export market in Latin America.

While the dynamic developments continue in the Western hemisphere through the North American Free Trade Agreement, NAFTA, and the declaration of intent for cooperation by the Pacific states, no such dynamic process is to be expected in Europe in the short term. This is why he wanted to point to the efficiency of Austria's export industry, Vranitzky told Salinas, who expressed his satisfaction of being able to receive the first official visitor from Austria during his term in office, due to end in December 1994.

The chancellor, who was received by Foreign Minister Fernando Solana at the airport amidst the thunder of 18 salutes, wanted to open the doors for the accompanying business executives and bankers and company representatives based in Mexico for talks with high-ranking partners.

In his meeting with President Salinas, Vranitzky pointed to Mexico's position in 1938: "When Austria was invaded overnight by the barbarous Nazi regime, Mexico was the only country to protest against the occupation of Austria in the League of Nations." On behalf of the government, Vranitzky expressed his thanks and also for the accommodation of numerous expelled persons.

The chancellor congratulated President Salinas on his "great success as a statesman," namely to have implemented Mexico's "project of integration" with the United States, NAFTA. In Mexico, the agreement is still the talk of the town. The main enemy in the media is Ross Perot, who described Mexico as authoritarian and corrupt on U.S. television.

Vranitzky on Cooperation, Ends Visit

AU2411113793 Vienna DIE PRESSE in German 24 Nov 93 p 5

[report signed "apa": "Salinas Praises Austria"]

[Text] At a banquet given in honor of Federal Chancellor Franz Vranitzky, Mexican President Carlos Salinas de Gortari emphasized the "remarkable affinities" between the two states, which are making efforts toward regional integration. Salinas paid particular tribute to Austria's humanitarian commitment, which has been reflected in sponsoring the two human rights conferences and the accommodation of numerous refugees and immigrants.

In addition, he pointed to Austria's exemplary commitment to environmental protection, the open position in trade with other regions, and Austria's "active neutrality."

Previously, Vranitzky, who is the first Austrian head of government to visit Mexico, discussed possibilities for increased economic cooperation with Salinas. The chancellor stated that Austria has much reason to take care of this region, since all that one can expect in Europe is overcoming a period of stagnation but not dynamic economic growth.

On the last day of his official visit to Mexico, which was preceded by a visit to Chile, the chancellor, along with representatives of Austrian companies, conducted economic talks with the responsible Mexican ministers. Export issues, as well as concrete cooperation projects in rail production, electronics, and the environmental field, were discussed.

Attorney General Addresses Anticorruption Seminar

PA2411032693 Mexico City NOTIMEX in Spanish 0106 GMT 23 Nov 93

[Text] Cancun, 22 Nov (NOTIMEX)—Attorney General Jorge Carpizo MacGregor said today that drug trafficking represents a potential corrosive source of corruption because of the financial resources the activity moves: "true rivers of gold."

Addressing the Sixth International Anticorruption Conference at this beach resort in Quintana Roo State, the attorney general said drug trafficking is so powerful it can change production systems, modify behavioral patterns that move the forces of society, and even disturb man's very social nature.

He continued by saying that drug trafficking in Mexico is considered a matter of national security and is fought

with the cooperation of other countries and in coordination with Mexico's federal institutions and the community itself. He said the war against drug trafficking will be as strong, determined, and efficient as it has been up to now. It will continue to score important victories based on respect for the law and human rights.

Bertrand Bed de Speville, representative of the Hong Kong Independent Commission Against Corruption, said his country was able to prevent corruption to a great extent by changing the community's attitude.

Chinese Supervision Minister Qingze Cao said that the war on corruption, within the general framework of development in his country, has been effective. In addition to punishing any act of corruption or misconduct in China, he added, great emphasis is placed on overseeing the honesty of all high-ranking officials. The people's participation in supervising government officials and reporting any legal or disciplinary violations is widely encouraged, he added.

National Action Party Elects Presidential Candidate

PA2311191493 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 23 Nov 93

[Report by Francisco Rubio; from the "Good Morning From Mexico" newscast; passages within quotation marks recorded:]

[Text] Diego Fernandez de Cevallos' selection as the National Action Party [PAN] presidential candidate reportedly became a party feast. Since yesterday, Diego is the PAN candidate to the Presidency of the Republic. The politician said he will wage a serious electoral campaign, a strong campaign to face his contenders without avoiding—this is key—public debate.

[Unidentified person] "Diego Fernandez de Cevallos is the PAN candidate to the Presidency of the Republic."

Without major surprises and as reflected by Canal 13 polls among PAN members, Diego Fernandez de Cevallos obtained 64.71 percent of the votes of the 1,107 PAN delegates nationwide; (Javier Livas Cantu) garnered 24.72 percent of the vote; Adalberto Rosas obtained 10.42 percent, and Eduardo Lopez received 0.25 percent.

We present now the swearing-in ceremony of Fernandez de Cevallos at the Sports Palace in this capital:

[Unidentified person, in progress] "....and for Mexico's good?"

[Fernandez de Cevallos] "Yes, I swear." [applause]

During the two-day, 40th National PAN Convention, two basic points were approved: The political platform and the PAN candidate for the Presidency of the Republic contest on 21 August 1994. During the opening speech of this event, PAN President Carlos Castillo Peraza warned that the 1994 elections should be held legitimately because otherwise social forces will break out. He recognized that PAN has only two opponents, the PRI [Institutional Revolutionary Party] and the PRD [Democratic Revolution Party], because the other, he said, is an empty receptacle of ideas, supporters, and votes.

[Castillo Peraza] "Carlos Salinas de Gortari had not even been born, and we were already practicing democracy. [applause] Cuahutemoc Cardenas [PRD presidential candidate and son of former President Lazaro Cardenas] enjoyed the privilege of running about the gardens of Los Pinos Presidential Palace while his father forged electoral fraud against Almazan, and PAN was already a democratic party. [applause]"

After being nominated PAN candidate to the Presidency of the Republic, Diego Fernandez de Cevallos said that his electoral campaign will be serious, a campaign to face his contenders and without avoiding public debate.

[Fernandez de Cevallos] "I accept this candidacy because, just like you do, I do not want to withstand any longer the political control of a privileged minority, a minority privileged by its wealth, strength, or knowledge which until today has been deciding the country's fate.

"I accept this candidacy because that minority concentrates today on its technocrat arrogance in the PRI-government alliance, and the campaign is the opportunity to end that corrupted duo that Mexico cannot withstand any longer and that we cannot tolerate in the future."

During a news conference, Diego Fernandez de Cevallos, PAN candidate to the Presidency of the Republic, stated that he will promote a public debate with the PRI and PRD candidates. He recognized that as a good politician he was ready to either win or lose, because, he explained, today's politicians cannot be improvised. He added that he will continue the political line dictated by PAN supporters.

Beginning 28 November, Federal Deputy Gabriel Jimenez Remus will take over as PAN legislative wing coordinator at the Chamber of Deputies.

Roundup of Economic Developments Through 23 Nov

PA2411042593

[Editorial Report] The following is a compilation of reports on Mexico's economic developments monitored through 23 November. Source is cited in parentheses following each item.

Mexican Petroleum will reduced its crude exports by 16,000 barrels from 1,354 million barrels to 1,338 million barrels according to the 1994 program presented to Congress. The program also provides for a $0.07 reduction in prices per barrel. (Mexico City NOTIMEX in Spanish 2232 GMT 16 Nov)

Foreign investment from 1971 to 1993 totaled $58.143 billion, $7.93 billion of which was acquired from January to September 1993. A total of 56.2 percent of the amount invested as of September 1993 was in stock market shares. The sectors that benefited from foreign investment were metallurgy, machinery and equipment, and chemicals. (Mexico City NOTIMEX in Spanish 2219 GMT 16 Nov)

A total of $1.697 billion has been traded on the Mexican stock exchange in 1993, the Mexican Securities and Exchange Commission has reported. Of that amount, 40 percent was invested in Mexico, while there was an increase in foreigners holding Mexican shares. (Paris AFP in Spanish 1243 GMT 18 Nov)

* Negative Maquiladora Work Conditions Cited

94CA0036A Mexico City LA JORNADA in Spanish 25-29 Oct 93

[Article by Sara Lovera]

[25 Oct, pp 1, 40]

[Text] Just over a half-million Mexican workers in the export assembly industry, which was installed along the northern border nearly three decades ago, have been the subject of great experimentation in the labor, social, and political spheres.

The experiments in this sector, which currently encompasses more than 2,000 establishments and is still growing (in Tijuana in the past year, eight new businesses have opened up each month, providing massive employment opportunities and better wages and working conditions), have been a failure.

Despite their heterogeneity, these companies pay wages that "are lower than average wages in the manufacturing industry," say economists Teresa Rendon and Carlos Salas of the Economic Research Institute at the National Autonomous University of Mexico (UNAM).

Although employment in this sector has expanded continually, it accounts for just five percent of the labor force (PEA). No worker has lifetime job security in the *maquiladoras*, or assembly line plants, and instability is the rule. Wages are at survival level, according to Alicia Puente, who lives in a shantytown in Acuna, Coahuila.

In the *maquiladora* cities of Coahuila, for example, no one earns more than 150 new pesos per week. At all companies, "you get by on piecework," said Mario Alberto Camarillo, former leader of the Confederation of Mexican Workers (CTM) in Piedras Negras. Throughout the industry these days, the so-called "total quality" or "zero errors" programs have been implemented, in which production depends entirely on the needs of the company, as can be seen in the few collective bargaining agreements that have been signed. This was confirmed by Sergio Tagliapietra, president of the Mexicali Maquiladora Association.

The workers' only chance to improve their income is through new forms of piecework, today considered productivity. In the *maquiladora* industry, limits on the number of hours worked in a day are only on paper. Punctuality and productivity bonuses—actually preconceived standards—amount to 10 to 20 percent above the general minimum wage.

The export assembly industry, which depends largely on corporations headquartered in the United States, although Japanese and Korean capital is playing a larger role, has gradually nullified union life. Collective bargaining agreements have been practically eliminated, and what experts call a new type of labor-management relations has been created. These relations are being put forward as a model for the implementation of the North American Free Trade Agreement [NAFTA].

One worker who lives in the Revolutionary Confederation of Workers and Peasants (CROC) colonia [urban community] of Piedras Negras pointed out that over a period of three years, she worked as a packer, a painter in a porcelain factory, a leather spot remover, and now as a maker of colored drinking straws for children in the United States. She never knew whether or not there was a union to represent her.

Another worker from the Nueva Laguna colonia in Acuna said that he works up to 11 hours a day testing auto tires, not knowing that the legal limit is eight hours of work.

Consequences of a Program

According to Jorge Carrillo, a researcher at El Colegio de la Frontera, the *maquiladora* sector grew out of the Border Industrialization Program that the government launched in 1965 to allow inputs and components to be imported into our country along with technology. It was seen as a model of indigenous industrial development, but training is still a utopia with no basis in reality. Hardly any workers receive technical training on the job, and most companies choose to hire inexperienced workers in such major areas as Tijuana and Ciudad Juarez. Furthermore, over half the plants where women are still in the majority are located there.

This industry also generated such a great demand for infrastructure that the cities where it is located have become veritable encampments, lost cities, shantytowns that become mudholes during the rainy season, incapable of meeting residents' needs. In practically every *maquiladora* city, people say there are between 30 and 80 working-class colonias.

In some parts of the *maquiladora* zone along the border, which are often former ejidos undergoing rapid urbanization, the workers have to walk as long as 50 minutes to get to the stop where they wait for transportation to the factories. Most of the cardboard houses are in the new settlements in Acuna, and they are piled on top of each other to counteract sudden temperature changes. During the rainy season, they are rebuilt time and again.

The lack of water and decent housing is common in working-class colonias. Residents get by as best they can in the overcrowded conditions that characterize the so-called marginal zones of the major cities. In Tijuana, one merely has to walk four kilometers in any direction from the center of the city to find a sea of hovels.

Factories are built in the middle of semiurban areas, and it is difficult to tell where the residential area ends and the industrial park begins. This is true, for example, in Mesa de Otay in Tijuana and La Nueva Laguna in Acuna, as well as the 14 industrial parks in Mexicali.

Always subject to the ups and downs of corporate headquarters, the export assembly industry has an ingrained sense of impermanence. Large and small plants open and close as the market for their products fluctuates in parts of the world over which Mexico has no control. Filing complaints with labor authorities is futile, says Fernando Fonseca, a labor attorney in Acuna, because the *maquiladora* industry has always been considered an exceptional case.

The unions that tried to organize the workers for a few years, as documented extensively by Cirila Quintero, director of the Colegio de la Frontera in Matamoros, have resigned themselves to engaging in intangible union activities or not getting involved at all. Tamaulipas is the only *maquiladora* zone with any significant union representation. The protests and work stoppages were halted 10 years ago.

In the supplementary role that *maquiladora* plants play with respect to the big transnationals, simple production processes occur side by side with the most sophisticated, cutting-edge technology. Beginning in the 1980's, the manufacture of conductors or components for the U.S. military industry took on greater importance, according to studies by Laura Palomares and Leonard Mertens of the International Labor Organization (ILO) in Mexico.

Maquiladoras for the electronics industry, which is predominant in some cities, have made far-reaching technological changes in some processes for "strategic use." The winding of video tapes on a mass scale has introduced sophisticated working methods that greatly isolate the workers.

Migration

A tour of the cities of Tijuana, Mexicali, Tecate, Acuna, Piedras Negras, Saltillo, and Torreon revealed that the government's decision in 1989 to allow these plants to be installed in the rest of the country led to a boom in the industry. The working methods and experimentation that characterized the industry in its infancy are still evident.

The lure of jobs in the *maquiladora* industry brought a wave of peasants and urban workers to northern cities. According to Rendon and Salas, employment in this industry multiplied by a factor of 2.7 in the last decade. It is still possible to see large banners at the entrances to factories in Mexicali and Ciudad Juarez advertising job openings and providing hiring details, almost always on an individual basis. One of the biggest problems in these companies, however, is the high turnover of employees. Recent studies revealed that the average worker stays in a single factory between one and three years.

Studies by El Colegio de la Frontera Norte also show that this industry, which contributed $1.5 billion a year in foreign exchange up to 1989 (a figure exceeded only by that of oil exports), will continue growing under NAFTA as an integration alternative. Carrillo, Cirila Quintero, Alfredo Hualde, and other experts say that the main reason the big transnationals are interested in establishing plants in the free-trade zones of poor countries is always the readily available supply of cheap labor that is adaptable to new working methods.

Maquiladora administrators and managers interviewed for this series stated that foreign investors will prefer *maquiladora*-type arrangements over direct investment in our country. The main expectation for the near future, they said, is obtaining high-quality finished products. Martens and Palomares claim that "quality control has acquired an increasingly important role."

The opinions of specialists, the results of studies, and interviews with workers throughout the *maquiladora* zones of Ciudad Juarez, Saltillo, Acuna, and Piedras Negras all reveal that the crisis in the countryside will keep the *maquiladora* industry going. Now, these plants are beginning to crop up in other parts of the country. The idea is that this industrial activity will be the main employment alternative in the next couple of decades, given that national manufacturing employment has fallen by 10 percent in the last decade.

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The export assembly industry has created a new type of worker, ready to face international competition. This is the result of 160 hours of training, maximum demands on visual attention, and isolation for nine hours a day, which is the daily routine for employees such as those who make precision electronic conductors and components for Unitrode Corporation, those who assemble military radios for West-Cap and Cincinnati Electronics, and those who wind videocassettes for Videovisa.

Although high-tech industry accounts for just 40 percent of the plants located in the border zones, "soft" (i.e., administrative) innovations have also created control mechanisms that have turned *maquiladora* workers into guinea pigs in a new process that limits their capacity to react.

Economist Carmen Ponce, who spent three years researching working conditions in Tijuana *maquiladoras*, observes that this pressure turns *maquiladora* employees into "throw-away workers" who lose their employability after 10 years, regardless of whether the processes involved are sophisticated or labor intensive.

Many women—in 1980 75 percent of the *maquiladora* labor force was female—find that when they reach the age of 35, after spending a decade going from one factory to another, they cannot work in anything but domestic employment, street vending, or prostitution.

The changes, first noted in 1985 by Laura A. Palomares and Leonard Mertens in a study of 60 electronics firms, suggest that there may be a polarization between skilled and unskilled work, and in the long run, it will lead to massive layoffs. Until now, the export assembly industry has been the most dynamic of all (the number of jobs there multiplied 2.7 times in a decade, according to economist Teresa Rendon), but its future as a large-scale employer is uncertain.

In the last two years, the export assembly industry in Matamoros has laid off 5,000 workers, says Alfredo Bazan Serrata, leader of the Regional Federation of Workers in that region, where the oldest electronics firms are located.

In tandem with the introduction of more skilled jobs, "soft" innovations in companies that have not undergone technological change have involved experiments with new forms of labor organization in which overtime lengthens the workday by as much as 50 percent. This has happened in the garment industry, explained economist Estela Suarez of the Interdisciplinary Center at UNAM. She is about to complete a comparative study of Reynosa and Ciudad Juarez.

Productive Laboratory

These experiments in production include the introduction of "zero errors" or "total quality" systems, which were described by Sergio Tagliapietra Nassire, president of the Mexicali Maquiladora Association, in an interview.

The businessman stated that the new procedures, which have been introduced widely and comprehensively throughout the *maquiladora* industry, were made possible by the productivity agreements promoted by the Labor Secretariat.

He indicated that everything began 10 years ago. In Mexicali, the "total quality" process was introduced in almost every plant three years ago. It is a question of a "new mentality." The process involves the entire staff, "from top to bottom. Holes are filled, there is no wasted time." The idea is to make every department more streamlined and efficient. Processes are recycled, and workers are used in various productive activities, from cutting checks to transporting products. This means that the business is able to speed up the delivery of materials, optimize supervision, and set new production standards day after day. If the worker meets the standard, he receives a minimum salary, and the more he exceeds the standard, the more money he receives.

As explained from the opposite point of view by Guadalupe Sanchez, leader of the Autonomous Union of the Obras Maestras Company, a company financed by Japanese capital in Piedras Negras, the process is clear.

The plant employs 335 workers, 250 of them women. The clay for making ceramic figurines is sent from Japan. A total of 2,000 figurines per day are produced by teams of two workers. They fill molds for more than 100 figurines of all sizes. The molds are then put into kilns in a process that employs 20 workers. It takes five minutes to fill a mold, and the baking takes four hours. Meanwhile, workers empty molds filled the previous day, which takes approximately half an hour. The four operations take half a workday.

In the second half of the workday, the remaining workers hand-paint the figurines at 17 work tables, at a rate of 20 figurines each. They are taken immediately for inspection, which is performed by a team of eight workers who can inspect 160 figurines at a time. Every six hours, 2,000 figurines are completed. An additional shift checks for quality and takes new figurines out of the kiln. "We all do everything," said Guadalupe, and the eight workers who do the inspections also pack and ship the product. Nothing can ever be left undone, she says. There are three breaks during the day, two 15-minute ones and a half-hour lunch break.

Obras Maestras employees make 84 pesos a week. New workers receive an additional bonus of 20 pesos a week for attendance and 16 pesos a week for meals. That means a paycheck of 120 pesos every Friday. Workers with six months or more on the job receive 84 pesos, plus an attendance bonus of 40 pesos and 27 pesos for meals, adding up to 151 pesos per week. And after working there for more than a year, their pay rises to 209 pesos a week, including an attendance bonus of 65 pesos and a meal allowance of 60 pesos. In other words, they earn an average of 29 pesos per day, only twice the general minimum wage in the region. Coahuila has the lowest general minimum wage of all the *maquiladora* zones, equivalent to 12.05 new pesos.

The supervisors at Obras Maestras earn 229 new pesos per week, and the managers make up to 246 new pesos.

Thus, the "total quality" process is combined with the practice that specialists call "universal worker," because the same person who packs the products inspects them; the same person who fills the molds with the ceramic mixture works in the kiln area; the same person who paints the figurines culls defective pieces and supervises the quantity of production.

Piecework

At Dikies, a garment factory, Maria Elena Contreras, leader of the autonomous union at the plant, says that piecework allows the workers to make as much as 350 or 400 new pesos per week, working 16-hour days. In other words, they make between 50 and 60 new pesos per day, equivalent to 3.5 times the minimum wage. To earn that much, they must attach 500 collars, join 1,700 pieces, or fold 960 units per day. The standards require a certain

amount of skill, which is achieved during the first six weeks on the job. The base pay, without piecework, is 131 pesos a week for an average of 700 pieces a day attaching collars or joining or folding pieces. With overtime, the day lasts from 0700 to 1900 hours, and an additional nine hours are paid triple time every week, providing an additional 51 new pesos in income. Thus, the total comes to just over 180 pesos a week, 2.5 times the minimum wage. The company prefers to pay a piece rate rather than overtime.

Maria Elena says that when the "total quality" or "zero errors" program was begun, production standards changed. In the last three years, they have gone up 30 percent. Breaks were reduced to 12 minutes, and the lunch break was cut to 20 minutes.

In the electronics processes studied by Mertens, the worker must focus all of his visual acuity and manual dexterity on the job, making miniaturized products and other items. The basic criterion is whether or not the product works; there is no in-between for the worker. Not only are the operator's visual skills challenged, but all of his capacity must be brought to bear.

In automated processes, the number of engineers and production technicians involved rose from 10 percent in 1980 to 14.5 percent in 1985, while at the lower level, the number of female workers dropped from 82 to 77 percent during the same period. At present, engineers and technicians account for 35 percent of the work force.

It was in the electronics industry that the "zero errors" system was introduced for the first time. Quality control was concentrated on the final stages of the process, which allowed for a margin of waste but not of worker error, says Mertens. He has found that these companies hire workers only after they have undergone a detailed eye examination. The typical illnesses suffered by these workers, he discovered, are vision problems, finger cuts, and stress; none of them is considered an occupational illness.

The ILO researcher emphasizes the manufacture of what are known as passive components, which are ultimately used for strategic purposes in armaments, space technology, and other complex electronic gadgetry.

Examples of these companies are Cincinnati Electronics of Sonora, which makes components for torpedoes and assembles military radios, and Electronica Internacional of Baja California, which supplies electronic parts to the U.S. Defense Department through Electronic Business, Electronic Packaging and Production, and Productos Control, all General Electric subsidiaries that produce high-technology resistors.

The export assembly industry along the northern border is developing a new worker, who in many instances works without a clock or a production line in the Taylorist style. He is trained over a short period of time, and he must have a high level of education just to be hired.

Export Assembly Industry Personnel Employed—July 1993

State	Number of Employees
Baja California Norte	107,616
Sonora	43,299
Chihuahua	170,325
Coahuila	45,537
Durango	9,133
Nuevo Leon	24,272
Tamaulipas	93,905
Jalisco	9,126
Yucatan	5,454
Rest of country	38,973
Total personnel employed	542,640

Export Assembly Industry Establishments—July 1993

State	Number of Establishments
Baja California Norte	841
Sonora	174
Chihuahua	333
Coahuila	177
Durango	49
Nuevo Leon	85
Tamaulipas	282
Jalisco	42
Yucatan	30
Rest of country	160
Total number of establishments	2,173

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In the export assembly industry, failure to meet production quotas is grounds for dismissal. Laying people off is justified in all cases by the fact that these companies "have temporary contracts with foreign counterparts," and they can reduce the number of employees at their discretion, at any time or place. Moreover, the minimum wages set for the various occupations are ignored.

In the *maquiladora* sector, which employs a total of 500,000 workers, only a tenth of the companies have any union representation. The labor organizations that are registered with the authorities practice what Cirila Quintero, director of El Colegio de la Frontera Norte in Matamoros, terms "subordinate unionism."

An additional phenomenon that has emerged in the *maquiladora* sector and contrasts with the cutting-edge technology is subcontracting, which is common in the Japanese ceramic factories and in an industry that has been a part of the *maquiladora* sector for a long time now, the sorting of discount coupons for the major

commercial chains in the United States. The most popular firm of this type, which employs more than 1,500 workers in its plants, is Carolina Proc. de Mexico, technically registered as a company that provides professional, technical, and specialized services. In subcontracting, there are no labor rights whatsoever.

Workers in the export assembly industry enjoy the labor rights set forth in the Federal Labor Law, with the exception of seniority rights, which are nonexistent.

Some *maquiladora* cities have no labor courts. In Acuna, the nearest venue for labor matters is 80 kilometers away. The Board of Conciliation and Arbitration in Tijuana was not established until nine years ago, so for nearly 20 years, *maquiladora* workers had to travel to Mexicali to settle disputes.

Most of the collective bargaining agreements registered in Tijuana involve the Mexican Workers Regional Confederation (CROM). They contain 13 clauses that establish the legal minimums, and the labor organization operates "with protection contracts," according to numerous surveys conducted by researchers at El Colegio de la Frontera Norte from 1977 on. There is no union life.

In Piedras Negras, it is the Secretariat of Commerce that takes care of hiring matters for businesses. The agency tells the investor to sign a labor agreement, preferably with the Confederation of Mexican Workers (CTM), before it will issue a final license for the installation of a plant, recounted Leticia Barkodal, head of the Foreign Trade Department at the secretariat, in an interview.

The official indicated that in the last four years, *maquiladora* companies have been installed in 12 of the 38 municipal jurisdictions in Coahuila. This has occurred since the decree was issued in 1989 allowing these firms to be established in any part of the nation.

There are only four or five autonomous, single-company unions (independent), and they are all located in this city. Traditional unionization has taken place only in the *maquiladora* industry in Tamaulipas, primarily in Matamoros, where two years ago companies were paying the highest *maquiladora* wages of the border region, and there was a benefit unit. At present, these agreements are being phased out, now that Agapito Gonzalez, the historic leader of the region, is in jail.

Eighty kilometers from Piedras Negras, in Acuna, the formation of unions "is prohibited," reportedly due to the intervention of Jesus Maria Ramon, now a federal deputy in the Institutional Revolutionary Party (PRI). Ramon owns Amistad, one of the leading companies with contracts in *maquiladora* industrial parks. According to the company's promotional literature, written in English, it has interests in nine cities in Coahuila, Monterrey, and Nuevo Laredo.

Attorney Fernando Fonseca contends that over a period of more than 20 years, the interests of the contracting firm Amistad have stood in the way of the establishment of labor courts in Sabinas, San Pedro, and Muzquiz, where export assembly plants have sprung up in recent years. There are 11 of these plants in Saltillo, whereas there were none three years ago. Even in the municipality of Frontera, an auto parts plant with 162 employees has been established. There are also plants in Allende, Hidalgo, Zaragoza, San Pedro, Sabinas, and Nueva Rosita, where coal companies used to own all the land and subsoil for 100 kilometers around.

As a result of this prohibition, factories have been shut down or large numbers of workers have been fired for trying to organize a union. The last time anyone tried was five years ago.

In the last decade, the *maquiladora* industry has diversified. There are now plants that make wood furniture, test tires, sort coupons, count garments, make cast iron parts, various manufactured goods, shoes, auto parts, and machine parts, among other products. The electronics, garment, and auto parts industries still have most of their establishments in the *maquiladora* zones of border cities, however.

Subcontracting runs counter to the modern idea of the *maquiladora* plant. Lilia Venegas, of the Office of History Studies of the National Institute of Anthropology and History, found in 1986 that in the coupon sorting business (coupons are a method of discounting specific brands), the employees of Carolina would receive sacks of coupons to take home and sort, and could subcontract with relatives and neighbors to provide the service for their employers. They were paid a pittance, the researcher said in an interview.

That was obvious in Piedras Negras and Saltillo. In Piedras Negras and Acuna, most coupon sorting is initially done by hand. A second process is being developed using computers, with manpower being provided by the National Council for Professional Training (Conalep).

Unions

Dr. Quintero, who has been visiting and studying the unions of Tijuana and Matamoros for seven years, found in her most recent research that in Tijuana, management has invaded labor's sphere of influence, "without any protests by the union." Employers have thus managed to defuse any potential for activism.

She found, however, that labor authorities report apparent union activity. In Tamaulipas, up to 90 percent of workers are unionized; in Ciudad Juarez, the figure is 19 percent; in Ciudad Acuna, where unions do not exist, the figure is 16 percent; in Agua Prieta, 45 percent of workers are unionized, 14 percent in Nogales, and five percent in Mexicali.

A study by Jorge Carrillo and Alfredo Hualde, released in 1990, indicates that in 1988 the rate of unionization in *maquiladora* zones may have been as high as 30 percent.

although they provided details to show that the unions are weak and pliant. They stated that the overall trend in the *maquiladora* sector along the northern border "seems to suggest that the main function of the union is to act as if it did not exist."

A more detailed analysis by Cirila Quintero shows that up to 75 percent of workers in Tijuana claim not to know whether they belong to a labor organization.

In Mexicali, Sergio Tagliapietra Nassire, president of the Maquiladora Association, declared that only 10 percent of *maquiladora* companies had any relations with trade unions. He stated that *maquiladora* employees reject this possibility because their labor rights are better when there is no labor organization.

In cases where the union in question is the Revolutionary Confederation of Workers and Peasants (CROC), such as Mex-Star of Piedras Negras, the contract that was signed (a copy of which was obtained from the Board of Conciliation and Arbitration) has been practically annulled by subsequent agreements.

The contract with that company, signed in July 1992, was radically altered by a pact concluded in May 1993, in which even the weekly day off is subject to the company's "production needs." The company can force an employee to work on mandatory holidays or Sundays if it renews its contract with the parent company and needs to get production out.

In addition, Mex-Star, which manufactures toys and parts, has the right to terminate contracts when a different product is being manufactured, or when in its opinion the employee has not acquired the necessary skills, and it reserves the right to transfer the employee from one department, shift, or operation to another.

Carrillo demonstrated that breaks, wages, and working conditions are better where there is no union, and that there are fewer conflicts in these companies.

The employees of Mex-Star, who belong to the CROC, learned of their contract in July 1993. Right now about 20 of them face the threat of dismissal because they decided to question supervisors and foremen about their rights and about where their union dues went.

Personnel By Type of Operation (National Total)—July 1993

Category	Number	Percentage
Factory workers, male	176,491	33
Factory workers, female	265,095	49
Clerical workers	40,277	7
Technicians	60,777	11

Share of Leading States in Aggregate Value (National Total)—July 1993

State	Number	Percentage
Chihuahua	442,046	31
Baja California Norte	313,456	22
Tamaulipas	270,825	19
Sonora	98,919	7
Rest of country	313,115	22

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Seven out of every 10 workers, that is, nearly 175,000 Mexicans who work in the *maquiladora* industry, are exposed to toxic substances in their daily work. Nearly 3.5 million inhabitants in the cities where *maquiladora* plants are located use contaminated water and live with the constant threat of gas leaks and environmental disasters.

In cities with *maquiladora* plants, 75 percent of the plants generate hazardous wastes, according to various studies, official statistics, and anecdotal evidence. This has been the case for 27 years.

In these areas, there is indiscriminate use of toxic substances, and hundreds of tons of industrial waste accumulate in factory yards. So far, Mexican labor and health authorities have not exerted effective control over the situation or determined the full extent of the problem.

According to the former Urban Development and Ecology Secretariat (Sedue), by the end of 1990, 1,035 *maquiladora* plants, out of the 1,963 registered and established in Mexico, were considered to be major sources of hazardous waste, and only 33.5 percent of them were in compliance with environmental laws. The situation has not changed.

More than 100 different types of industrial pollutants were found in the waters of the Rio Nuevo in California, attributable to illegal sewage discharges from *maquiladoras*, according to that state's Health Service. Studies revealed that these pollutants came from plants in the city of Mexicali.

The U.S. organization Justice for the Maquiladoras, headquartered in San Antonio, Texas, is conducting a survey of the most common illnesses plaguing *maquiladora* employees. Stress has taken the back seat to poisoning, dizziness and nausea, fainting spells, chronic illnesses, and even cancer, depending on the type of job, the amount of exposure to these substances, and the processes employed.

When Going to Work Makes You Sick

The studies conducted by researcher Roberto A. Sanchez since 1986 in all the border cities have found that there

is under-reporting of occupational illnesses at the Mexican Social Security Institute (IMSS). It takes a scandal like the deformed or brainless babies born to women who had worked at the Maryori plants in Matamoros to call attention to the problem and spur authorities to adopt new environmental regulations governing these companies, control imports of the substances involved, and follow up on the effects. The efficacy of these measures depends on the scarce resources allocated by Mexican Government authorities to diagnose the situation and oversee *maquiladora* operations.

In an interview at his offices at El Colegio de la Frontera Norte in Tijuana, Sanchez said that it is difficult to get a comprehensive, well-defined picture of the situation, since in this city alone there are 40 industrial zones, and there is no systematic compilation of the numerous complaints filed by workers, residents of working-class colonias, and staff personnel of the companies.

Yet the use of toxic materials continues unabated. Employees of Mex-Star Ensambles of Piedras Negras, organized by the Civil Justice for Maquiladoras Association, reported that the use of glues and other substances, such as methylene chloride (which they discovered by translating a label—they generally do not know what they are working with) have caused fainting spells and constant headaches among the women who work at the plant. The scientific report on this substance reveals chronic, long-term health effects, including cancer.

Sanchez, who received a MacArthur Foundation fellowship to conduct more detailed studies, contends that the environmental risks and the health consequences outside the *maquiladora* plant are due to the company's failure to control hazardous waste, illegal discharges into the municipal sewage system and waterways, secret containment facilities, and the marketing and recycling of hazardous material containers in the working-class colonias.

He explained that there is also a risk to public health when these waste products—many of them inflammable, corrosive, unstable, or capable of releasing poisonous gases—are stored for long periods of time in plant yards in the urban areas of *maquiladora* cities. This risk has not been quantified.

He noted that Mexican authorities recently did an about-face and are now exerting more control over imports of toxic substances, but the regulations have not been fully promulgated yet, and the lack of resources imposes real limitations on these actions.

Statements taken from employees who worked for various lengths of time in different *maquiladora* plants in Mexicali between 1965 and 1990 show that among managers, plant owners, and health officials, there is great indifference to the effects of the working conditions and the toxic substances used there. In small plants, the lack of ventilation and overcrowding also cause serious problems.

Leticia Figueroa, a researcher at the Autonomous University of Baja California, conducted interviews with randomly selected workers. She found that there is information about people who have died and women who suffer chronic and permanent symptoms. In the garment industry, some workers are allergic to the dust given off by the fabric, and none of her interviews with workers revealed any evidence of union or IMSS protection for workers who have been permanently disabled.

Sanchez, who conducted a systematic study in Mexicali, found that 117 different hazardous materials are imported for the manufacture or assembly of 54 products. These include solvents, alcohols, chlorinated products, ketones, aromatic and organochloric hydrocarbons, acidic and alkaline substances, and heavy metals. These materials can cause problems, depending on how much is used in each process and how long the workers are exposed to them. Many companies have refused to provide information. Sanchez had to go to the Secretariat of Commerce, which is responsible for granting import licenses, to identify these products.

Pollution Also at a Piece Rate

Plants that make plastics, auto parts, and electronic parts and equipment involve the greatest hazards. And these are the ones that predominate along the northern border. In places like Tijuana, Matamoros, and Ciudad Juarez, they account for 50 percent of all industrial facilities.

In his research, Sanchez was also able to learn that large amounts of hazardous substances and unidentified solvents are imported, and their effects are not yet known even at corporate headquarters in the United States.

Workers' statements indicate that, in general, when they go in for medical treatment their symptoms are not recorded as being work-related, which makes it difficult to identify precisely what relationship there is between the work they do and the effects on their health.

In 1988, Sanchez contended that the lack of strict controls on hazardous waste in Mexico was causing problems in every city along the northern border. He noted that in every city there were complaints of illegal handling of hazardous waste, discharges into sewage systems, and the dumping of solid waste in municipal dumps or waterways both inside and outside urban areas. It was not until 1990 that the former Sedue began conducting inspections. Recent evidence suggests, however, that the progress is very slow, he said in an interview. In addition, a new system designed to decentralize federal controls has left environmental protection up to the states, and the implementation of those controls is still in the drafting stage.

In this regard, Jorge Carrillo stated in his most recent report on NAFTA, published by El Colegio de la Frontera Norte, that little is known about the implications of many chemical alloys. Carrillo is the most assiduous investigator of the *maquiladora* industry along the northern border, having authored more than a dozen

comparative studies, surveys, and books since the late 1970's. He said that only a handful of the substances now in use have been studied thoroughly. He acknowledged, however, that the environmental problem is certainly more serious in the United States than in Mexico.

The key problem recognized by environmentalists, he said, is not the use of toxic substances in the *maquiladora* industry, but the importation of toxic waste. He argued that the government has not yet taken strong enough action to counter the harmful environmental effects of the *maquiladora* industry, primarily due to its rapid growth.

Sanchez cited an article by Patrick McDonal in THE LOS ANGELES TIMES that reveals that spontaneous fires are common in the municipal dumps of cities like Tijuana and Nogales, and that the firms hired to dispose of the industrial waste of *maquiladora* plants take it to storage centers, and it ultimately ends up in the dumps.

This means that not only are the workers directly exposed to health hazards, which are difficult to detect because of the high turnover of employees, but the population of these cities, now oversaturated with *maquiladora* plants, must live with the harmful effects of hundreds of substances, hazardous residues, unsupervised storage, and accumulated waste.

In spite of that, since the parallel agreements of NAFTA were signed in 1990, it appears that mechanisms can be put in place to protect the environment and occupational health. Sanchez is concerned, however, because all indications are that in the coming years the growth rate of the *maquiladora* industry in northern cities will be 15 percent a year, and that it will spread to the southern part of the country. An expansion of this nature, he said, could represent an opportunity for economic growth in Mexico, but there will be a high social cost to public and occupational health if the necessary precautions are not taken to control the negative effects of this industrialization process.

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The *maquiladora* cities along the country's northern border have undergone spontaneous, uncontrolled, and irrational growth for three decades. The population growth rate is 3.6 percent, 30-percent higher than in the rest of the country, and the demand for housing and infrastructure exceeds the capacity of any municipal budget.

At this rate, the need for day-care centers and schools has never been met. In the last five years, ejido lands surrounding cities such as Piedras Negras and Ciudad Juarez have been settled, and conservative estimates indicate that the demand for housing is rising by 10 percent a month.

Whole families come to live in these unofficial settlements, where small companies that subcontract with the big *maquiladoras* have begun to spring up in cities like Matamoros, Acuna, and Tijuana. Many of these families, who have been driven out of the countryside, come to the *maquiladora* zones only to find that the standard of living is lower than it was back home.

The feeling of impermanence that characterizes the border settlements where the *maquiladora* industry has taken root—because everyone plans to "cross the border"—has given rise to the establishment of what looks like encampments. Working-class colonias frequently sprout in these areas, with housing made of discarded materials (cardboard, plastic, and asbestos sheets). There are more than 40 such encampments in Mexicali, over 100 in Tijuana, 60 in Acuna, and 68 in Piedras Negras. It generally takes five or 10 years for water, sewage, and electricity service to come to these colonias. Because of the climate and the terrain, dust storms are common. The unpaved streets become veritable rivers during the rainy season, and in 1992 there were torrential rains that caused disasters in Tijuana and Mexicali.

According to a study by Guillermina Valdes Villalva, published by El Colegio de la Frontera Norte, urban land has become a valuable commodity thanks to this trend, and in bad financial times speculators periodically appear. Land is sold for more than twice its market value. In Ciudad Juarez, land and rental units tend to be more expensive than in El Paso, its sister city across the border in the United States.

This trend has also given rise to urban organizations that exert pressure on city governments, which complain that they do not have enough resources to meet the demand for housing and services.

Demographic Explosion

Without exception, the *maquiladora* cities face a constant transportation crisis. The president of the Mexicali Maquiladora Association, Sergio Tagliapietra, stated that this is a serious problem. At some plants, such as Arneses y Accesorios de Acuna, workers who finish the last shift at 0200 hours must wait inside the factory until dawn. It is not uncommon for employers to take advantage of this "down time" to do "advance" work, so there is no limit to the length of the workday.

Although efforts have been made to solve the urban problem through housing programs, they are never enough. The Institute of the National Fund for Workers Housing (Infonavit) has built large housing projects alongside industrial parks. There are 30 of them in Tijuana, but every day new unofficial settlements are established. The practice known as "paracaidismo" [urban squatting] is normal in these cities.

Elias Sergio, former mayor of Piedras Negras and promoter of the first industrial parks in the region, attributed "this disaster" to regulations governing *maquiladora* companies, which are required to pay only one percent of their value-added to the municipal jurisdictions where they are located. He contended that though

he was once an enthusiastic proponent of the *maquiladoras*, in 20 years the population of Piedras Negras grew from 45,000 to 100,000, and this explosive, uncontrolled growth made it impossible to build the basic infrastructure, so the 68 working-class colonias in the municipal jurisdiction do not have enough water, streets, or sewage service.

In addition, according to the former PRI mayor, this situation has unleashed a serious wave of violence. In the *maquiladora* zones of Coahuila, he said, two additional developments are adding to the pressure: the collapse of the coal industry in Nueva Rosita and of agriculture in the Lagunera region.

Migration, which stabilized during the first half of the 1980's, is a constant problem today. Piedras Negras and Ciudad Acuna are not focal points for migration to the United States, yet today they are suffering the effects of internal migration in Coahuila, the poorest area in the northern border region of Mexico.

After a 10-year period when water and sewage projects took the back seat to other priorities, a water purification plant is finally being built.

Urban Crowding

In the poor neighborhoods of Acuna, newcomers receive constant demonstrations of solidarity from their neighbors. On land measuring six meters by six meters, two houses are built. When asked how the land was acquired, the neighbor cuts in and says, "We bought it, but we do not have the papers yet." Without electricity, water, or sewage, the former residents of the Lagunera region in Acuna founded a huge settlement called Nueva Laguna.

The *maquiladora* leader Tagliaprieta is also annoyed that all transportation in the strip along the border is controlled by groups affiliated with the Confederation of Mexican Workers (CTM). He points out that it is the lack of imagination of state and municipal governments that has prevented the rationalization of the new settlements. This affects productivity, he says, and could discourage new investment.

In Ciudad Juarez, researchers Guadalupe Santiago and Hugo Almada Mireles of the Center for Regional Studies and Alternative Communication (CERCA), discovered that in 1990 the more than 50,000 *maquiladora* employees had 75,000 children who had no access to day-care centers. There are only three centers in the city, and they can accommodate only 930 children. The researchers claim that this adds to the *maquiladora* workers' stress, an occupational illness that is not acknowledged.

Santiago and Almada Mireles found that there was a housing shortage of 45,000 units in Ciudad Juarez in 1990. They noted that since the Infonavit was founded in 1972, it had built a total of 19,917 units in 19 housing projects as of 1991. They say that this and other official housing construction programs have curtailed their activity in the last four years.

The trends seen in this *maquiladora* city, one of the oldest of those established along the northern border since 1965, are seen in all the others as well.

In view of the land shortage, the price of housing today amounts to 15 full years of work at the minimum wage, according to figures compiled by El Colegio de la Frontera. The most modest rental unit in Mexicali costs 300 new pesos, 500 new pesos in Tijuana, and 900 in Ciudad Juarez. In all cases, prices are 25 to 200 percent of the wages earned in factories. An additional problem is that rents in the urban areas are charged in dollars.

Perhaps the issue that has been least studied with respect to the industrialized cities of the northern border region is what happened 20 years ago resulting in the preference for female labor, since it changed family relationships, the roles of men and women, and child-rearing practices.

Lilia Venegas, of the Center for History Studies at the National Institute of Anthropology and History, conducted the only known study on this matter, in 1988.

She found that most of the women became the sole breadwinners in their households, that they worked as many as 101 hours a week, including their domestic chores, and that their only solace was dancing.

Costa Rica

Calderon To Promote Free Trade at U.S. Meeting

PA2311233193 Paris AFP in Spanish 2110 GMT 23 Nov 93

[Text] San Jose, 23 Nov (AFP)—At a 30 November meeting in Washington between the Central American presidents and their U.S. colleague Bill Clinton, Costa Rican President Rafael Angel Calderon will seek commitments to promote free trade and the signing of an agreement with the United States. Calderon said today that his country is interested in signing a free trade agreement with Mexico in January and another trade agreement with the United States, ideally within the next two years, to enable his country to stop receiving unilateral benefits that are not fully guaranteed.

Calderon said: "Through the Caribbean Basin Initiative (ICC), the United States grants us unilateral benefits that it can take away at any moment. On the other hand, through a treaty, both countries have an obligation, and we would have greater legal assurances in continuing to increase our exports to that country."

The president recalled that the Protocol of the Central American Economic Integration Treaty, which was signed in late October during the Guatemala Summit, allows and respects the right of each nation of the isthmus to sign free trade agreements with third countries without the region negotiating as a bloc.

Calderon said: "Our duty is to inform the rest of Central America concerning negotiations we carry out with third countries, but the fact that one country may not be able to enter into a specific trade opening will not stop those countries that are prepared to enter into an asymmetrical free trade agreement with the United States."

Calderon, who will return to his country on 2 December, believes that Clinton's struggle for the approval of NAFTA and the invitation to the meeting to be held next month are "positive" demonstrations of the U.S. Administration's rapprochement with the region.

On 29 November, Central American presidents will meet with U.S. southern governors in Miami to discuss affairs regarding commercial exchange and cooperation. In Washington, Calderon will also try to smooth out those rough edges with the U.S. Government that appeared in the wake of intense negotiations that put an end to a suit filed by the influential AFL-CIO union against Costa Rica for alleged violations of labor union rights.

Roundup of Economic Developments Through 23 Nov

PA2411011793

[Editorial Report] The following is a compilation of reports on Costa Rican economic developments monitored through 23 November. Source is cited in parentheses following each item.

The Central Bank president has reported a $703 million trade deficit for the first nine months of 1993, which represents a 50 percent increase from the same period last year. During the first nine months of the year, exports rose 9.5 percent while imports rose 19 percent. (San Jose LA REPUBLICA in Spanish 17 Nov 93)

Guatemala

Army Denies Opposition to Penal Procedural Code

PA2311120493 Guatemala City PRENSA LIBRE in Spanish 21 Nov 93 p 3

[Text] Yesterday, the Army emphatically rejected the statements made by Jose Rodil Peralta, president of the Supreme Court of Justice and head of the Judiciary Branch, who said the military forces and the private sector were opposed to the implementation of the Penal Procedural Code.

Through the Information and Press Department of the Army, the military refuted the statements by Rodil Peralta, saying it was surprised by the manner in which he referred to the groups in the national power structure, including the Army.

In a communique, the military said it has shown respect for the law because its actions have corresponded with the Constitution of the Republic. Likewise, it says that when a member of the Army is involved in any wrongdoing or violation, internal sanctions as established by military law and regulations are imposed. In criminal cases, the cases go before a military court, and after a sentence is announced, the individuals involved are practically expelled from the military ranks.

Spokesman on de Leon's Request To Withdraw Consultation

PA2311150793 Guatemala City PRENSA LIBRE in Spanish 20 Nov 93 p 3

[Text] Government spokesman Felix Loarca Guzman has announced that on 19 November President Ramiro de Leon Carpio asked the Supreme Electoral Tribunal (TSE) to cancel the popular consultation scheduled for 28 November.

This decision will facilitate the referendum process requested by Congress President Jose Fernando Lobo Dubon at the TSE on 18 November, in which the people would vote in favor or against the 36 constitutional reforms.

De Leon Carpio arrived at the TSE at 0730 to withdraw the request for a consultation which contained questions regarding whether the people support the president's decision to ask the deputies and justices to resign.

First TSE Magistrate Mario Guerra Roldan said the president came to say that he was desisting from the

popular consultation because the reasons that had motivated it disappeared when the Legislative and Executive Branches reached an agreement.

De Leon had said, after signing the document which ended the almost six-month long confrontation, that he would withdraw his request for a consultation after Congress approved the reforms, which are now pending the people's confirmation.

The reforms contemplate, among other things, moving up the legislative elections and changing the Supreme Court of Justice next year. Guerra Roldan said the president's withdrawal of his request for a popular consultation will pave the way for a congressional referendum.

Honduras

FPM Guerrillas Detonate Bomb in San Pedro Sula

PA2311193593 Mexico City NOTIMEX in Spanish 1825 GMT 23 Nov 93

[Text] Tegucigalpa, 23 Nov (NOTIMEX)—An alleged guerrilla group, the self-styled Morazanist Patriotic Front [FPM] claimed responsibility today for the detonation of a fragmentation bomb at the Chamber of Commerce and Industry of Cortes [CCIC] headquarters in San Pedro Sula.

The attack occurred last night, five days prior to the general elections scheduled for 28 November during which 2.734 million voters will elect a new president, mayors, and deputies for the 1994-98 term.

After claiming responsibility for the bombing in a communique broadcast on Radio America, the FPM warned that the ruling National Party of Honduras [PNH] intends to win the elections "at all costs" and to this end will execute acts of sabotage during Sunday's elections. The FPM said that the PNH has planned such acts of sabotage by seizing ballot boxes as of noon on Sunday in municipalities where it may lose and is urging all of its members to vote as early as possible. "Concerned over the electoral process and Honduran democracy," the FPM stated that it does not have confidence in any of the candidates from the traditional parties, national and liberal, and is urging the electorate to vote against those political parties.

The bomb exploded at approximately 2000 on 22 November, wounding a security agent and damaging the CCIC's main entrance door and part of its patio, according to information published in local newspapers. General Luis Alonso Discua Elvir, Honduran Armed Forces chief, said today that the Army will do its duty by preserving the public's right to vote and ensuring the peaceful development of the elections. In case of any conflict, Discua added, the public can seek the Armed Forces' help.

Roundup of Economic Developments Through 23 Nov

PA2311182393

[Editorial Report] The following is a compilation of reports on Honduran economic developments monitored by Panama Bureau through 23 November. Source follows in parentheses after each item.

President Rafael Leonardo Callejas has announced that the World Bank had approved a $43-million loan earmarked for the agriculture sector. In expressing his satisfaction for the loan approval, the president explained that the funds would be used initially to support balance of payments objectives and afterward to encourage agriculture sector projects promoted by the outgoing administration.

According to Callejas, the country's foreign debt totals $3.3 billion, which is similar to what he found when he came to office. He also stated that the international banking community had condoned $1 billion of Honduras' foreign debt. (San Pedro Sula TIEMPO in Spanish 17 Nov 93 p 2)

On 16 November, the governments of Honduras and the Dominican Republic signed an agreement establishing the Council for Commerce and Investment. The council, which will be composed of members appointed by each country, will be responsible for formulating an immediate agenda as well as regulating trade and investment bilateral relations; in addition, the council will be responsible for identifying opportunities to expand their respective economies through trade liberalization procedures.

The agreement seeks to intensify economic, commercial, and investment relations between both countries by acknowledging the private sector's prominent role in encouraging employment, technological improvement, and expanding economic development. (San Pedro Sula TIEMPO in Spanish 17 Nov 93 p 9)

Nicaragua

Government Laments 1994 Reduction of U.S. Economic Aid

PA2311204493 Paris AFP in Spanish 2316 GMT 22 Nov 93

[Text] Managua, 22 Nov (AFP)—Monday, the Nicaraguan Government lamented the imminent 1994 reduction of U.S. economic aid to this country because it will exert "additional pressure" on the difficult economic situation affecting the country, Erwin Kruger Nicaraguan foreign cooperation minister, has said. The reduction in U.S. aid will force us to "seek other, additional sources of revenue to cover a large commercial deficit of approximately $600 million," Kruger explained after attending the inauguration of the XI Indian Congress this Monday in Managua.

According to Nicaraguan newspaper reports, the Clinton administration will ask Congress to approve $66.6 million in economic cooperation for Nicaragua in 1994; that is, nearly one fourth of the $235 million assigned in 1991.

Since 1990 when Violeta Chamorro assumed power, the United States has granted Nicaragua an average of $200 million annually, but despite the worrying aid reduction for next year, Kruger remarked that the perspectives of foreign aid to his country are good. The Nicaraguan official said that this year Nicaragua had initiated formalities to compensate the reduction in aid and assured that it has "a global offer of resources of over $700 million" for 1994. In addition, the government is seeking agreements with the IMF and the World Bank to obtain new international credits this week.

Meanwhile, the Nicaraguan Government is negotiating the "reprogramming of the foreign debt payment," which totals approximately $9 billion; that is, $2 billion less than it owed in 1990 when President Chamorro rose to power. Nicaraguan exports last year totaled $260 million, but imports rose to $800 million. The government is seeking to have the trade deficit covered with foreign cooperation.

Roundup of Economic Developments Through 23 Nov

PA2311185093

[Editorial Report] The following is a compilation of reports on Nicaraguan economic developments monitored by Panama Bureau through 23 November. Source follows in parentheses after each item.

The Agriculture Ministry, MAG, Press Department has announced that the Swiss Government had donated $4.5 million to Nicaragua for financing overall disease supervision and seed production programs sponsored by the National Institute of Agriculture and Livestock Technology, INTA. The Swiss donation will also help support the agriculture and livestock technology project; in addition, the donation will also be used to encourage agrarian property reordering, which is aimed at formulating property rights through national cadastre, entitlement, and modernizing registries. (Managua LA PRENSA in Spanish 22 Nov 93 p 7)

The Nicaraguan Investment Fund was officially transformed into the Nicaraguan Financial Investment, FNI, as per a new law published in the 1 November 1993 edition of the OFFICIAL GAZETTE, according to an announcement made by FNI Executive Director Rodolfo Delgado. One of the most significant aspects of this change is that it leaves the decisionmaking process in the hands of the new institution and practically transforms it into an autonomous state agency.

Another significant change entails the FNI Board of Directors as comprised of government officials as well as by two private sector representatives, who will be selected from the various organizations that constitute the Nicaraguan business associations. The Executive Branch will be responsible for this selection process.

According to Delgado, this new law means that the institution is financially stable and will be able to rely on a 100-million cordobas working capital and will be allowed to add approximately 1.5 billion cordobas to its portfolio, which will be considered risk assets. Financing will be carried out through the local commercial banks and all financial intermediaries accredited before the banking superintendency.

The institution will channel funds into cattle raising, coffee production, and the tourism sector; in addition, the fund is evaluating the possibility of financing the export of nontraditional goods. (Managua Radio Corporacion in Spanish 2200 GMT 17 Nov 93)

Sociologist Oscar Rene Vargas has disclosed that the average national poverty level index stands at 69.4 percent, but in regions such as Madriz, Nueva Segovia, and Matagalpa the index stands at 80 percent. According to these figures, 69.4 out of every 100 Nicaraguans are living in extreme poverty, which entails inadequate living conditions, water shortages, inadequate sanitation systems, low incomes, illiteracy, and a high mortality rate. The most dramatic effect has been in the infant mortality rate, which has passed from 71 deaths for every 1,000 children born in 1991 to 81 deaths in 1993, representing a 14-percent increase. (Managua BARRICADA in Spanish 15 Nov 93 pp 1, 12)

Panama

Colombia Plans Joint Police Actions in Border Area

PA2311153093 Panama City EL PANAMA AMERICA in Spanish 20 Nov 93 p 2a

[Report by Juan Pritsiolas]

[Text] The Panamanian and Colombian Police Corps are planning to implement actions against drug traffickers, guerrillas, and undocumented people who have taken refuge in the border area between our countries, Mayor Dario Arrue, deputy director general of the National Police, revealed yesterday.

Arrue was part of the Panamanian delegation of top Public Force officials who met with Colombian police officials yesterday to coordinate future joint operations. The Panamanian officer said that there is "a delicate and difficult situation" at the border because there is a lack of security, although special units have been deployed there.

Dario Arrue stated that in the past months no incursions by the Revolutionary Armed Forces of Colombia (FARC) were reported inside Panamanian territory. The deputy chief of police explained that border operations

require adequate planning, equipment, personnel, and the necessary coordination. Those operations must also be kept secret, he added.

Meanwhile, Major Cristobal Fundora, chief of the National Air Service, said the guerrillas are suspected of keeping cocaine fields in the Darien jungle. Adrian Avila, an official of the Indian Policy Department, confirmed that the Indian communities of San Blas and Darien are the constant target of threats by drug traffickers and undocumented aliens. Avila also said that Colombian guerrillas enter Panamanian territory through Pucuru and Paya.

Roundup of Economic Developments Through 23 Nov

PA2311215393

[Editorial Report] The following is a compilation of reports on Panamanian economic developments monitored through 23 November. Source is cited in parentheses following each item.

Juan Raul de la Guardia, executive director of the Privatization Process Coordinating Unit, has announced that to date the national government has sold four state enterprises valued at more than 19 million balboas. At the same time, negotiations are under way to auction off the Bayano Cement Co. which controls 48 percent of the local market.

The companies that have been privatized so far include Air Panama, the Atlantic Banana Corp., the Washington Hotel located in Colon, and the Taboga Hotel. Another state company about to be privatize includes the La Victoria Sugar Corp., which during the past 20 years has accumulated loses totalling more than 200 million balboas. (Panama City Circuito RPC Television in Spanish 2300 GMT 17 Nov 93)

The Inter-American Development Bank [IDB] has announced it is preparing to grant approximately $1 billion in credits to Panama through 1995. These credits will be used to modernize various state institutions, as well as to undertake several major projects.

Bolivar Santacruz, IDB representative in Panama, said that since Panama normalized its financial situation with the institution, it has received more than $407.5 million in credit. In addition, a $42 million loan is expected to be approved by the end of the year.

The IDB representative also explained that six projects totalling $90 million, all of which had been on hold as a result of the political crisis, have been reactivated. The funds are earmarked for upgrading the education sector, the electrical system, the Arraijan highway [located in the western part of the city], the Bridge of the Americas, Housing Ministry programs, Panama Canal alternative studies, and a University of Panama support program.

At the end of 1992, the IDB had approved a $120 million loan to the Panamanian Government in exchange for the upgrading of services offered by several state-owned companies. The objective of the upgrading program is to ensure more labor and economic efficiency. Nevertheless, before Panama can receive the funds it will first have to fulfill several conditions established by the IDB. (Panama City ACAN-EFE in Spanish 1157 GMT 22 Nov 93)

Argentina

Menem Begins Four-Day Visit to Netherlands

PY2311231993 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 23 Nov 93

[Report by Silvina Martinez Porta from Government House]

[Excerpt] This morning President Carlos Menem began a four-day visit to the Netherlands, with the goal of increasing Netherlands investments and bilateral trade with the Netherlands.

Menem arrived at Rotterdam Airport today at 0430 Argentine time, 0830 Netherlands time. From the airport he went to (Nordain) Palace, where Queen Beatrix hosted a welcoming ceremony for him.

Within the framework of his tour, which will also take him to Cyprus and Japan, Carlos Menem began his activities today by visiting Netherlands legislators. He told them that Argentina is firmly determined to pursue the path of transformation that began four years ago, and that to this end a constitutional reform had been initiated. In order to achieve this goal, Menem recalled, an agreement was reached with opposition leader Raul Alfonsin. With this step we closed a sad period of political confrontation, Menem emphasized. [passage omitted]

Vice Foreign Minister on Falklands, UK, Military Equipment

PY2311232793 Buenos Aires LA PRENSA in Spanish 22 Nov 93 Section 1 p 8

[Interview with Vice Foreign Minister Fernando Patrella by Ana Gerschenson; place and date not given]

[Text] [Gerschenson] How would you describe Argentina's relations with the United Kingdom?

[Patrella] We must analyze three aspects of our relations with Great Britain. The first refers to strategic points of agreement, the second to our overall bilateral relations, and the third to the situation in the South Atlantic.

[Gerschenson] What are "strategic points of agreement?"

[Patrella] The great strategic points of agreement are something new in our bilateral relations. Only a few years ago Argentina had a nonaligned position, which some people interpreted as neutralism and others as indifference to the larger questions of world politics.

Our most important points of agreement are related to Argentina's participation in peace missions, disarmament, nuclear development, and the defense of democratic systems in the hemisphere and in the world.

[Gerschenson] How would you characterize the progress in our bilateral relations?

[Patrella] We have to consider that the 1982 conflict totally interrupted our bilateral relations. But an objective evaluation, only three years after the full resumption of our diplomatic relations, must recognize that Argentine-British relations are on a very good path and have a remarkably positive intensity.

[Gerschenson] What were the benefits for our country of the resumption of diplomatic relations?

[Patrella] The resumption of our diplomatic relations with Great Britain permitted us to sign a framework agreement with the EEC in April 1990. This agreement paved the way for a variety of cooperation efforts, not only in the commercial field, which is exclusively a result of mutual suitability, but also in other fields where that group of nations grants Argentina privileged treatment.

[Gerschenson] You mentioned the situation in the South Atlantic.

[Patrella] The situation in the South Atlantic involves very specific problems. We have the dispute over the islands' sovereignty, the United Nations resolutions, the fishing issue, oil exploitation, the Antarctic, and security considerations. We think the problem involving military equipment, which is one of the variables of the last item, is being resolved.

[Gerschenson] How is it being resolved?

[Patrella] It is very important for the Foreign Ministry to be declared "eligible" by the United States Government in the area of military equipment. It was a victory, particularly for Foreign Minister Guido Di Tella, to have buried the Humphrey-Kennedy Amendment that was approved in the 1970's during the military governments and tightened in 1982 following the Malvinas Islands conflict. The fact that we have been declared "eligible" means that now we can purchase military equipment from any private company in the United States.

[Gerschenson] What about British pressure to prevent Argentina from purchasing radars for the Skyhawk planes?

[Patrella] The foreign minister talked about the issue of the radars during his visit to the United Kingdom. We used the central argument that Argentina, as a country that is participating in all the peacekeeping operations requested by the UN collective security system, and because it has a responsibility for looking after that peace, cannot, in any way, use totally obsolete weapons.

[Gerschenson] What will happen if oil is found in the Malvinas Islands?

[Patrella] There are two British reports saying that there is oil in the islands. It must still be determined if that oil can pass from the prospecting stage to exploitation. If it is determined that the oil can be exploited, we will have to establish a "modus vivendi" with the islanders, just as with our fishing arrangement.

[Gerschenson] When do you think the dispute over the islands' sovereignty will be resolved?

[Patrella] In cases involving colonization you must resolve the common questions first. The transfer of sovereignty or

the arrangement for a final order will came later, as something natural. First we must determine a new order for fishing rights, oil rights, the status of citizens, and then we will see what happens.

People who think that the end of a colonization process deals with a transfer of sovereignty first do not have the correct idea of the process. It is not so. We must emphasize practical arrangements: an approach, the dialogue, and mutual understanding first. The only times when the process was resolved the other way was when solutions were imposed by force.

[Gerschenson] What about the statements made by the islanders' representatives in London that they want independence?

[Patrella] That is of no concern to us because the United Kingdom will not ignore international laws. The United Kingdom administers the islands in accordance with Article 73 of the United Nations charter, but it does not ignore that there is a sovereignty dispute. We operate under the umbrella concept. The fact that Scotland Yard came to Argentina under those premises clearly indicates that the United Kingdom knows there is a sovereignty dispute which is regulated through specific UN resolutions.

[Gerschenson] What changed with Di Tella's visit to London?

[Patrella] Specifically, the fishing agreement. Then we have the issue of military equipment, which was at the top of Di Tella's agenda. I think that is more than enough for a two-day visit.

[Gerschenson] Do you hope you will be able to visit the Malvinas Island during your administration?

[Patrella] I do not. But I firmly believe I will be able to do that eventually.

Brazil, Paraguay Sign Agreement To Combat Cholera

PY2311185593 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 23 Nov 93

[Text] Argentina, Brazil, and Paraguay will combat cholera jointly. A few hours ago they signed an agreement by which the three countries have committed themselves to a permanent exchange of epidemiological information within the framework of the campaigns to prevent and struggle against cholera.

Officials from the three countries also admitted the necessity of integrating the three borders in order to prevent the cholera disease from spreading.

Bolivia

Editorial Criticizes Former U.S. Ambassador Remarks

PY2311115893 La Paz LA RAZON in Spanish 11 Nov 93 p A5

[Editorial: "Mr. Gelbard's Threats From Washington"]

[Text] Robert Gelbard, former U.S. ambassador to Bolivia who was decorated with the Condor of the Andes by the previous administration, has talked about our country through the U.S. Embassy's information service. Newspapers on 10 November carried the main parts of his statements.

According to the report, this controversial character, who attained notoriety for his extreme positions regarding military participation in the fight against drug trafficking, said: "Drug trafficking is a criminal activity that threatens the country's democratic institutions and its national sovereignty and increases violence, terrorism, and human right violations." The inadmissible part of the case is that when making these statements Mr. Gelbard was not talking about his country but about ours. His lack of tact has pushed him to criticize the very government that decorated him. He accused former President Jaime Paz Zamora's government by saying that because he spent so much time on the election he did not have time to fight drug trafficking as, in his opinion, he should have done.

It is being reported that the former ambassador is engaged in a full-time campaign for his bureaucratic promotion within the U.S. State Department. Gelbard has deemed it convenient to consolidate his aspiration with a proposal that, for all we know, is not in accordance with Bill Clinton's policies, least of all with any government policies in our country. In the opinion of the aforementioned strategist, Bolivia's fragile democracy should become consolidated by "increasing the police forces and helicopter squadrons in order to discover plantations and illegal areas where drugs are cultivated."

This method of "strengthening" democracy only reflects the contempt that certain figures in the U.S. bureaucracy have for countries like ours. Happily not all of them have Mr. Gelbard's same mental structure. There are many people who are convinced that the greatest threat to democracy is the extreme poverty that afflicts Bolivia. And to fight poverty you do not need helicopters, gunships, or combat planes but intelligent and healthy policies to promote social and economic development.

Bolivian public opinion, and the opinion of our newspaper that is part of it, repeatedly has supported the need for an in-depth study of the convenience of legalizing the trade and consumption of drugs such as cocaine throughout the world. It is the only viable alternative to attack the root of the problem. Ridiculously high prices encouraged by prohibition make for illegal fortunes, corruption, and other types of crimes. President Sanchez de Lozada made a serene reflection in this respect a few days before the beginning of his mandate. I mention the president so as not to speak of the important number of personalities that are increasingly taking similar positions all over the world.

While we wait for that day, we also have said what we are reiterating today: We do not doubt the need to implement, no matter its drastic nature and legal inconsistencies, Law No. 1008 for as long as it is not modified or replaced by another law. It is this top legislative institution that must reexamine existing regulations regarding forbidden drugs

and formulate the appropriate policies in order to prevent these regulations from being dictated from outside by foreign officials seeking their personal promotion.

It is obvious that Mr. Gelbard has not forgotten Bolivia or his habit of insulting our most important officials. He is doing his thing. He is involved in what newspapers say he is doing. And we have the right to defend ourselves from his aggressions.

Brazil

Franco, Jiang Zemin Sign Space, Mining Agreements

PY2311163993 Rio de Janeiro Rede Globo Television in Portuguese 1500 GMT 23 Nov 93

[Text] This morning, President Itamar Franco and PRC President Jiang Zemin signed an agreement to launch the first Sino-Brazilian satellite. The PRC president arrived yesterday evening in Brazil on a one-week visit.

PRC President Jiang Zemin walked up Planalto Palace's ramp and was met by President Itamar Franco. The two presidents then observed parading troops and a demonstration by public servants asking stricter controls on the Brazilian Government's spending. The PRC president was decorated by his host with the Cruzeiro do Sul Order of Merit.

According to Itamaraty sources, the PRC president's visit represents a political approach that will favor deals between the two countries. There are hopes that trade between Brazil and the PRC will exceed 200 million real cruzeiros by late 1993, thus doubling the amount reported in July.

During a working meeting this morning, the two presidents signed two cooperation agreements. One of the agreements contemplates the participation of PRC enterprises in the Serra dos Carajas mining. The other agreement involves space cooperation. The first satellite built with Sino-Brazilian technology will be launched in October 1996.

Sign Bilateral Agreements

PY2411012193 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 23 Nov 93

[Text] President Itamar Franco will conclude his ministerial reshuffle by 6 January 1994. Today the president signed commercial agreements and had lunch with PRC President Jiang Zemin, who is visiting Brazil.

Today, President Franco and his Chinese counterpart signed two bilateral agreements: a memorandum of understanding for the exploitation of iron ore in the Carajas reserve deposit by Chinese companies, together with the Rio Doce Valey Company; and a protocol for the peaceful use of space technology, which provides for the construction of two satellites.

The two presidents are concerned about increasing trade relations between Brazil and China. Current bilateral trade prospects will amount to $1 billion by the end of the year; during the first half of the year trade reached $500 million. Brazil currently exports to China, among other things, iron ore, aluminum, and soybean oil. It imports items ranging from heavy machinery to coal.

The PRC president was welcomed by President Franco at the end of the Planalto Palace ramp. Then, from the visiting room, they observed the military parade. President Franco decorated the visitor with the Grand Collar of the National Order of the Southern Cross. He then gave a luncheon in honor of the PRC president at Itamaraty [Brazilian Foreign Ministry].

Upon leaving the Foreign Ministry, President Franco said that on Thursday he will release the ministers' letters who will or will not be candidates in the forthcoming elections. Thursday will also be the deadline established by the president for the ministers to respond to his request to submit their letters of resignation. According to the Planalto Palace Press Secretariat, the president has already received 12 letters. Franco confirmed that among these he received a letter from Finance Minister Fernando Henrique Cardoso who, according to the president, will not be a candidate in the 1994 elections. The president also said that the ministerial reshuffle will be concluded by 16 January [as heard], without mentioning any date for the beginning of the reshuffle in December.

In his speech during the luncheon to honor the Chinese President Jiang Zemin, President Franco stressed the resumption of Brazilian economic growth.

[Begin Franco recording] After almost a decade of a deceleration in economic growth, Brazil is again developing more vigorously, but this time on a more solid basis, in which concern for income distribution and for streamlining state financing prevail.

Mr. President, we feel successful in the task of reforming and liberalizing the economy, and as a result of this, Brazil is more open to other countries today, in an increasingly more competitive process of reaffirmation in the international market. [end recording]

Honored at Supreme Federal Court

PY2311225993 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 23 Nov 93

[Text] PRC President Jiang Zemin has been honored at a special session of the Supreme Federal Court. During the ceremony Justice Sidney Sanchez referred to the political and commercial relations between the two countries, and to the possibility of increasing cooperation in the areas of science, technology, transport, and communications.

The Chinese president expressed thanks for the homage and for the demonstration of interest in Chinese affairs. Jiang Zemin said he hopes for an intensification of judicial relations between the two countries. He added that concern over human rights is the same both in Brazil and in China, and that despite social differences, we have the same historical past and the same tasks to face in the future.

Foreign Minister: Possible to Control Inflation

PY2311172593 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 23 Nov 93

[Text] Finance Minister Fernando Henrique Cardoso admitted that inflation can be controlled even before the fiscal reform is approved. He explained that this can be done only if Congress is favorable to the main measures of the fiscal package, which will be sent to Congress in the next few days. Minister Cardoso confirmed that the fiscal reform is a pre-condition for economic stabilization. He said the constitutional amendments will be sent to Congress in the beginning of December, after he returns from Canada.

The amendments contemplate an increase in tax revenue as a result of the creation of a few taxes and the establishment of a new federation pact based on redistributing taxes among the federal government and states and counties. Another part of the fiscal reform is the approval of a new budget proposal for 1994, which includes a considerable reduction in expenditures. Minister Cardoso also said there is no risk of hyperinflation or any reason to increase prices.

Police To Use Telecommunications Net in Drug Fight

PY2311163093 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 23 Nov 93

[Report by Poliani Castelo Branco]

[Text] Federal Police, PF, will use the Communications Ministry's national radio monitoring network to detect drug traffickers' clandestine transmissions in the Amazon region. This network is comprised of a central station in Brasilia, a fixed station in Belem, and two mobile stations in Santarem and Roraima. This system is capable of locating the more than 100 clandestine radio stations operating in Brazil, Bolivia, and Colombia, as explained by Communications Minister Hugo Napoleao.

According to PF Director Wilson Romao, the system will improve the PF's work in locating drug routes and reception sites:

[Begin recording] This will increase our capacity of detecting the drug traffickers' transmissions by, I would say, 70 percent. We had been working with very modest equipment and thanks to Minister Napoleao we are now... [pauses] I feel stronger because we are covering the entire Legal Amazon Region. [end recording]

Romao also said that the police are concerned not only about cocaine trafficking, but also about the entry into the country of heroin and crack [preceding work in English] that, according to him, are already being trafficked in the country. Napoleao and Romao yesterday signed an agreement on the subject at the Communications Ministry.

Highway Police Seize 14.5 kg of Crack Near Sao Paulo

PY2311180893 Rio de Janeiro Rede Globo Television in Portuguese 1500 GMT 23 Nov 93

[Text] Early this morning the police seized the largest quantity of crack [preceding word in English] ever reported—14.5 kg. They also found 132 kg of cocaine. The drugs were seized in Nazareth District, 85 km from Sao Paulo. The drugs were seized at 0100 today near the Kilometer 37 post on the Dom Pedro I Highway in Nazareth District.

Highway police became suspicious of a convoy of three vehicles and asked them to stop. The first vehicle, a D-20 pickup, escaped. Two Chevrolet pickups were stopped, but only one of the drivers was detained. The other driver escaped into the forest.

Police were surprised by the gang's system: 132 kg of cocaine and 14.5 kg of crack [preceding word in English] were being carried in false bottoms in the vehicles and the vehicles' bodies. The drivers used radios, which also were hidden in the vehicles, to communicate.

Rolando Paulino, 21, told police the drug was being carried from Dracena, in western Sao Paulo State, for distribution in the Vale do Paraiba area using Sao Jose dos Campos as a distribution center. The gang was only 80 km from completing the operation.

Poll Indicates Lula, Sarney Favorites for President

PY2411015393 Sao Paulo FOLHA DE SAO PAULO in Portuguese 21 Nov 93 Section 1 p 18

[Article by Marcelo Mendonca]

[Text] The 1994 presidential elections are less than a year off, and Luis Inacio da Silva, or Lula (PT-SP) [Workers Party-Sao Paulo] and Jose Sarney (PMDB-AP) [Brazilian Democratic Movement Party-Amapa State] are well ahead of the other presidential hopefuls in Brazilian voters' preferences. A public opinion poll conducted nationwide by Datafolha on 10-11 November reveals that Lula heads the poll with a percentage ranging between 31 and 33 percent, depending on the PMDB candidate suggested by pollsters—either Sarney, [Social Security Minister] Antonio Britto, Orestes Quercia [Sao Paulo governor under Sarney], or [Sao Paulo Governor] Luiz Antonio Fleury Filho.

Sarney, the PMDB candidate that fared best of all within his party, came in second in the survey with 16 percent. The trend in the voters' preference for both Sarney and Lula is clearly growing since the last two surveys conducted by Datafolha in June and August.

At a time when the CPI [Congressional Investigating Committee], which is delving into the budget affair, is exposing, on Brazil's television network, an increasingly large number of politicians who are implicated in corrupt practices, the number of blank or null votes has remained at its August level, namely between 18 and 20 percent.

Sao Paulo Mayor Paulo Maluf (PPR) [Progressive Renewal Party], who was far outstripped by Sarney in August, maintains third place and the 12 percent percentage he obtained in last August's public opinion survey. In those cases in which pollsters did not include Sarney in the list of candidates, Maluf came in second in the voters' choice for president, with 14 or 15 percent support.

Britto was mentioned as a possible PMDB candidate in one of the alternatives proposed to voters. With 10 percent, he shares third place with Rio de Janeiro Governor Leonel Brizola (PDT) [Democratic Labor Party], who has lost popularity since the June survey in those cases in which he has to vie with Sarney.

Finance Minister Fernando Henrique Cardoso (PSDB) [Brazilian Social Democracy Party] scored 7 percent in all possible situations, except when the PMDB candidate was Fleury Filho, in which case he obtained 8 percent.

The public opinion poll showed that regardless of the situation presented, between 5 and 6 percent of the public would vote for Bahia Governor Antonio Carlos Magalhaes (PFL) [Liberal Front Party], whereas he obtained only 4 percent of the vote in the previous survey.

Support for Lula is evenly divided among the country's different regions and voters' schooling and income; it is slightly greater among men than among women; and it wanes as age and lack of interest in politics increase.

Former Governor Quercia (6 percent) and his successor Fleury (5 percent) are the PMDB members who obtained the poorest performances in the four different alternatives suggested by pollsters. It was when measuring their strength against both of them that Lula (33 percent) and Maluf (15 and 14 percent) performed best in the survey.

Lula's popularity grew from 11 percent in the previous survey to 16 percent this month in those cases in which voters spontaneously mentioned their choice as president. Sarney's popularity went from 2 percent to [figure indistinct] percent, thus obtaining the same score as Maluf.

Quercia and former Curitiba Mayor Jaime Lerner (PDT), who obtained 1 percent support last August, did not manage to garner this support now. This survey revealed that three new candidates obtained 1 percent of the voters' support with their own choice of president, namely Ceara Governor Ciro Gomes (PSDB), Britto, and former President Fernando Collor.

Poll Shows Drop in Popularity of Democratic System

PY2411012493 Sao Paulo FOLHA DE SAO PAULO in Portuguese 21 Nov 93 p 11

[Report by Clovis Rossi]

[Text] A strong drop in the already low popularity rate of the the national Congress, and an increasingly negative evaluation of Itamar Franco's government, is affecting democracy's prestige. This is shown by a survey conducted by Datafolha between 10 and 11 November among 2,500 voters throughout the country.

Democracy is still considered the best form of government, always by a relative majority (47 percent). But those who say that democracy and dictatorship are the same, and those who would accept a dictatorship "under certain circumstances," now add up to 43 percent of those questioned. It is also worth noting that those who would defend democracy at all costs fell from 59 percent in March of this year to 47 percent today.

The figures did not concern political expert Bolivar Lamounier, who thinks that the 47 percent level of those supporting democracy "is even high, if we consider that the country is coming out of a 15 year period during which people went through terrible conditions." Other intellectuals noted the risks involved. "A breeding ground is being created for a Fujimori-type ordeal," lawyer Miguel Reale Junior fears. Lawyer Fabio Konder Comparato, meanwhile, thinks "politicians have not understood that democracy does not only mean protection of public freedoms. It also means efficiency in government."

Chile

Government Minister Dissatisfied With U.S. Relations

PY2311115293 Santiago EL MERCURIO in Spanish 12 Nov 93 p A19

[Excerpt] Enrique Correa, minister secretary general of government, stated on 11 November that after taking stock of the bilateral issues pending with the United States, Chile believes they leave something to be desired. Correa pointed out that the problem arising between Chilean and U.S. airlines is just one more issue among the ones pending on the agenda with Washington.

Among these let us mention, among other things, the issue of the grapes containing cyanide, the conflict between airlines, and the lack of U.S. support for Chile's joining APEC (Asia Pacific Economic Cooperation). "We are, in general, interested in having a serious discussion with the U.S. Government about pending bilateral issues, which we deem have not been tackled in a satisfactory way for us," said the president's spokesman at La Moneda.

He made it clear, anyhow, that President Patricio Aylwin's administration wishes to specifically analyze the situation caused by U.S. sanctions on Chilean carriers without linking it to other pending issues. He underscored that the airlines problem "is a serious issue that concerns us very much, but it is a specific case and should not have a bearing on the other issues. We are going to act very cautiously, although the assessment of our bilateral issues with the United States is not quite satisfactory," he added.

Correa reiterated remarks voiced by the transport minister and the secretary general of the presidency to the effect that Chile wishes to work out a solution with the United States for the conflict between both countries' carriers in order to head off an escalation of sanctions. He stated that Chile

decided to withdraw from Congress the agreement with Washington on air transportation because it holds totally different views on the interpretation of such an agreement. "We are still assessing the situation, but our policy is to adopt a case-by-case approach, so as to prevent one issue from adversely affecting the other," he pointed out. [passage omitted]

Colombia

Roundup of Economic Developments Through 23 Nov

PA2411042893

[Editorial Report] The following is a compilation of reports on Colombian economic developments monitored through 23 November. Source is cited in parentheses following each item.

This week, the Colombian and Costa Rican stock markets signed a letter of understanding to implement for the short term standard rulings for negotiations of shares on public stock markets. (Paris AFP in Spanish 1623 GMT 20 Nov)

The 20 main industries registered on the Bogota stock market show a 25 percent decrease in revenues during the first nine months of the year. Sales figures are also slowing. (Santa Fe de Bogota EL TIEMPO in Spanish 20 Nov 93 pp 1a, 1b, 2a)

Ecuador

Roundup of Economic Developments Through 23 Nov

PA2311224093

[Editorial Report] The following is a compilation of reports on Ecuadoran economic developments monitored through 23 November. Source is cited in parentheses following each item.

The finance minister signed an agreement on 29 October to raise government salaries by between 33.8 percent to 100 percent. Basic salaries will increase from 62,000 sucres to 95,000 sucres. (Quito Voz de los Andes in Spanish 2300 GMT 16 Nov 93)

The National Development Bank has reported that its modernization plans include shortening the time it takes to grant credits from two months to two weeks. Meanwhile, the tariff committee led by the finance minister reduced the tariff on the import of flour to avoid speculation on flour-based products. (Quito Voz de los Andes in Spanish 2300 GMT 19 Nov 93)

The government has approved the immediate issuance of $75 million in government bonds, which will be issued and payable in U.S. dollars, to finance public works projects. The bonds will partially finance government programs in housing, health, education, potable water, roads, and irrigation. (Quito Voz de los Andes in Spanish 2300 GMT 22 Nov 93)

Peru

Fujimori Says Agriculture Subsidies Eliminated

PA2411041093 Lima Global de Television Network in Spanish 0100 GMT 19 Nov 93

[From the "Global TV News" newscast]

[Text]President Alberto Fujimori reiterated in Arequipa that subsidies for the agriculture sector have been eliminated. He said his government's agriculture policy is focused on turning farmers into real producers of their land.

For the second consecutive day President Alberto Fujimori inspected education projects in poor neighborhoods in the Arequipa region. The president began his tour by visiting settlements in highland provinces of the region to confirm the progress of the projects being performed by the government. He was accompanied by General Jaime Urrelo Correa, chief of the 3d Military Region.

Following his visit the president spoke to the media and said the government's agriculture policy is aimed at turning farmers into real producers. He said agriculture subsidies are being eliminated and added that it is necessary to reduce free zones in the country because some of them were created in an indiscriminate manner.

Eight Shining Path Terrorists Presented to Media

PA2411034893 Lima Global de Television Network in Spanish 0100 GMT 19 Nov 93

[From "Global TV News"]

[Text] The Huaraz police presented eight Shining Path terrorists to the media, including the mayor and the police magistrate from Catac District. They were all wearing the classic stripped uniform and are accused of carrying out a series of dynamite attacks, sabotages, murders, ambushes, and incursions into villages in Ancash Department.

Among those presented to the media were Catac Mayor Lorenzo Ramirez Alvarado and his son and Police Magistrate Diogenes Ramirez Tejo. The authorities also presented explosives, ammunition bags, modern long- and short-range weapons, radio equipment, and other material.

Policemen Arrested for Helping Drug Trafficker

PY2311141493 Lima LA REPUBLICA in Spanish 5 Nov 93 p 14

[Text] Yurimaguas, 4 Nov—Fifteen policemen involved in the irregular release of a Colombian drug trafficker known as "El Ministro" were taken to jail in this city on the orders of Trial Judge Javier Acevedo Chavez from Alto Amazonas Province.

According to report No. 101-93-FPM filed by District Attorney Daniel Cerrate Toledo of Alto Amazonas Province, the accused policemen, headed by former PNP [Peruvian National Police] Commander Julio Pinto Ramos, former police chief of Alto Amazonas Province, are facing

charges of "concealment aggravated by their status as police agents, police corruption, and concealment of illegal drug trafficking in connection with the drug trafficker known as 'El Ministro.'"

According to preliminary investigations, it was determined that the accused policemen raided the town of Isla Pongo (Leticia), Yarina District, San Martin Department, on the afternoon of 14 May. The raid was carried out without the local Political Military Command's appropriate authorization with the sole purpose of arresting the Colombian drug trafficker "El Ministro." The drug trafficker was released at 1500 on 15 May after paying $100,000. The money was distributed among the policemen who participated in the "operation." The officers received $3,500 and the subordinates received $3,000. The rest of the money was collected by former PNP Commander Pinto Ramos.

It may be recalled that this case was disclosed after a number of investigations published by the newspaper LA REPUBLICA in its 7-9 June editions.

In addition to former PNP Commander Julio Pinto Ramos, former PNP Majors Juan Alberto Almeydas Solis, Henry Valderrama Flores, and Miguel Antonio Dolmos Moreno; former PNP Captain Gregorio Contreras Ubaldo; and former PNP Lieutenants Americo Bellido Quispe, Juan Santos Medina Marca, and Pedro Alberto Vallarta Inga also are involved. PNP noncommisioned offiers Enrique Caritas Yangaya, Jose Robledo Carrasco, Gilberto Herrera Perez, Carlos Azabache Morillas, Prosper[illegible] Tequen Julca, Juan Italo Chilin Galarza, and Heyner Melendez Portocarrero also are involved.

All of them were discharged from the PNP during a ceremony last week. Their discharge was just reported to the public after the report filed by the Alto Amazonas Province district attorney. It also was reported that the accused policemen are in Yurimaguas Penitentiary, where they will remain until the courts issue a final ruling.

Roundup of Economic Developments Through 23 Nov

PA2311220593

[Editorial Report] The following is a compilation of reports on Peruvian economic developments monitored through 23 November. Source is cited in parentheses following each item.

According to a decree published in the Official Gazette, the government has implemented a new selective consumption tax rate which directly affects fuel prices in Peru. The tax rate on 84 octane gasoline will drop from 131 to 110 percent. At the same time, the rate on 90 octane gasoline will rise from 131 percent to 135 percent, and the rate on gasoline with an octane rating above 90 will increase to 142 percent. (Lima Radio Programas del Peru Network in Spanish 1800 GMT 22 Nov 93)

The Executive Branch has received much needed support from the Constituent Democratic Congress [CCD], which will allow it to carry out its economic program. The CCD decided to support the Executive Branch's initiative and authorize the exchange of external debt notes for investment bonds that can be used to purchase state-owned enterprises.

This and the fact that the Peruvian foreign debt notes are currently being sold in the international market at 54 percent of their nominal price is expected to encourage foreign investors' participation in the government's privatization program. In addition, the exchange mechanism will provide the country with much needed economic support. (Lima Global de Television Network in Spanish 0100 GMT 20 Nov 93)

Juan Carlos Uauja, Central Peru Mining Enterprise operations manager, announced that a new production record for blister and refined copper will be recorded by the enterprise this year. Uauja also indicated that during 1994, the enterprise expects to produce at least 575,000 tons of copper, zinc, and lead, which means that production will continue to rise. So far this year, blister copper production has totalled 62,000 tons, while refined copper is amounting to 58,000 tons. (Lima Global de Television Network in Spanish 0100 GMT 20 Nov 93)

Petroperu (State Petroleum Agency) President Emilio Zuniga announced on 18 November that Peru is currently confronting serious crude oil shortages because of a fall in reserves. Peruvian crude oil reserves have decreased to 360 million barrels from a high of 800 barrels during recent years. The decline in reserves is being blamed on increasing annual consumption levels approaching 48 million barrels and scarce production activity which prevents replacing the difference. In addition, import-export balances has resulted in a $200 million deficit. (Hamburg DPA in Spanish 1849 GMT 18 Nov)

The CCD Budget Commission has practically concluded evaluating the 1994 General Budget of the Republic which totals approximately 16,158,416,466 nuevos soles. Of this amount, 3,504,057,000 nuevos soles has been earmarked for the foreign debt repayment program. (Lima Global de Television Network in Spanish 0100 GMT 17 Nov 93)

Uruguay

Defense Minister Interviewed Current Issues

PY2011171093 Montevideo BUSQUEDA in Spanish 11 Nov 93 pp 3, 8

[Interview with Defense Minister Daniel Hugo Martins by unidentified BUSQUEDA reporter; place and date not given]

[Text] [BUSQUEDA] Are you going to charge General Luis Queirolo with contempt?

[Martins] I have not yet decided.

[BUSQUEDA] What does your decision depend on?

[Martins] I have to study Prosecutor Langon's report and assess what such an accusation's chances of success are.

[BUSQUEDA] Does the government intend ...?

[Martins] ... No, this is a personal affair. Those of us who are involved in politics are exposed to criticism by the citizens. Therefore, it is not unusual for someone to allude to the executive branch or to ministers. In a democracy, every person is free to express his opinion, but he ought to do it in a respectful way.

[BUSQUEDA] And has it been done respectfully in this case?

[Martins] The court will decide on that.

[BUSQUEDA] Since assuming office in 1990, President Luis Alberto Lacalle's government has had more conflicts with the generals who were members of the military regime than former President Julio Sanguinetti's administration—General Ivan Paulos' utterances about Lacalle, the controversy involving [Navy Commander in Chief] Vice Admiral James Coates and the Military Club, the request by the Military Clubs themselves that the then Defense Minister Mariano Brito resign. To what do you attribute these situations?

[Martins] You know that I was installed as defense minister on 19 August. I was not a government official during that period and therefore, I do not have firsthand knowledge of what happened.

[BUSQUEDA] The first case I mentioned occurred when you were a minister.

[Martins] Yes, this is publicly known. Its relationship to order number 15 is known.

[BUSQUEDA] That is correct, but why did the lack of harmony develop with the military men ...?

[Martins] Not with military men.

[BUSQUEDA] Well, with the chiefs of the military process. Is it related to ...?

[Martins] The chiefs of the process are retired. They no longer have anything to say.

[BUSQUEDA] By changing the Army commander, has the government been able to solve once and for all the problems that emerged recently in that force?

[Martins] I believe it has.

[BUSQUEDA] Do you believe there was a different orientation in the Army under the command of General Rebollo than under the current command of General Daniel Garcia?

[Martins] The commander in chief is the real chief of the Army and he is acting correctly.

[BUSQUEDA] Do you believe there was a change?

[Martins] I was not part of the previous administration. What I know is that he is acting correctly. I cannot talk about the previous administration because I was not in it.

[BUSQUEDA] What is the state of the investigation of the Artigas Guard and the Lavalleja Command?

[Martins] First of all, it is not known if they exist and second, those who protect themselves in anonymity are very difficult to discover.

[BUSQUEDA] But is the ministry investigating?

[Martins] What kind of investigation can we carry out about something that was published in the press and is anonymous.

[BUSQUEDA] What about the acts of violence that occurred in the country recently?

[Martins] There have been no acts of violence during my administration.

[BUSQUEDA] It is assumed that an investigation must first be carried out.

[Martins] They were investigated at the appropriate time.

[BUSQUEDA] Has the investigation concluded?

[Martins] If something were discovered, it would be made public.

[BUSQUEDA] Are you differentiating betwen the time when you took over the ministry and the previous situations?

[Martins] Yes.

[BUSQUEDA] But you inherited situations that apparently were not concluded. For example, before Minister Brito resigned he disclosed to Congress that the telephones of Army Commander General Juan Rebollo were tapped. Is this still being investigated? Was it left behind or is it still being investigated?

[Martins] In principle, yes. The events that occurred before my administration have already passed.

[BUSQUEDA] Will they be referred to again?

[Martins] I will not refer to them.

[BUSQUEDA] Why?

[Martins] Because they are events that have passed. What effect would an investigation have?

[BUSQUEDA] What about the generals who were involved in espionage? It has been said that General Aguerrondo may be assigned to a new position in the United States, in the Inter-American Defense Council. Is that true?

[Martins] That is speculation by reporters. His name has not been proposed.

[BUSQUEDA] What is the most important task you have encountered since you became minister?

[Martins] The most important is the one I am carrying out with the president to study the reorganization of the Armed Forces based on information given by the three forces.

[BUSQUEDA] What are the guidelines of the reorganization?

[Martins] This is a complex issue. In general terms, the idea is to make the forces more efficient and to reduce spending.

[BUSQUEDA] Efficient in what?

[Martins] In what? Don't you try to spend more efficently in your own home? Do you allow unnecessary spending? Spending the best possible way, achieving the objectives the best possible way, that is efficiency.

[BUSQUEDA] Today the Army is divided into four regions. Is this going to change?

[Martins] This issue is being studied. As is well known, there are some reservations about it because it involves a national defense issue.

[BUSQUEDA] What about the Army's role. Is it going to be redefined?

[Martins] It has already been etablished: It is that of national defense.

[BUSQUEDA] Will it be assigned new duties?

[Martins] The traditional ones.

[BUSQUEDA] Are there any plans to involve the Army in the antidrug war?

[Martins] No.

[BUSQUEDA] In a recent article, the Army commander admitted this possibility.

[Martins] If it is a national defense issue, it will get involved. This possibility is not rejected but this is a police task.

[BUSQUEDA] But to do this you need means. Is the government willing to accept DEA's assistance to combat this problem?

[Martins] This situation has not come up.

[BUSQUEDA] The use of fast deployment forces equipped with helicopters is a possibility in the reallocation of Army forces, is it not?

[Martins] Yes, this is a possibility. The modern trend is for the Armed Forces to act jointly like they did in the Gulf war.

[BUSQUEDA] One of the ways to acquire more equipment is to reduce Defense Ministry expenses on salaries by 70 percent. How will you be able to reduce these expenses?

[Martins] We are studying how to rationalize the Armed Forces in order to have only essential personnel.

[BUSQUEDA] Does this imply the reduction of noncombatant personnel?

[Martins] No, there are other areas where we can rationalize personnel.

[BUSQUEDA] Where?

[Martins] In the different Defense Ministry services.

[BUSQUEDA] Does this imply that the Communications Directorate will be placed under the jurisdiction of the Education Ministry? Are you working on this?

[Martins] No. There is a draft bill in this regard that has been proposed by a congressional committee.

[BUSQUEDA] Do you support this idea?

[Martins] I am not opposed to it. It is a service that can be under the jurisdiction of this Ministry or any other. It is not directly linked to national defense.

[BUSQUEDA] There is a draft bill in congress on regulations for military promotions which calls for an increase in the number of colonels. According to these regulations the promotion of these colonels to the next highest rank will be approved by the executive branch. What is the reason for this initiative? Is the executive branch trying to achieve a greater involvement in armed forces internal matters?

[Martins] No, it is merely an effort to have more choice.

[BUSQUEDA] Does this affect the professional career of the military?

[Martins] No, it is the high command that selects its advisors from a list of candidates.

[BUSQUEDA] But increasingly further from the right.

[Martins] That thing about the right has already been...

[BUSQUEDA] The Battleist Forum has charged this administration with trying to promote the partisanship and the "whitewashing" of the Armed Forces. Are you not justifying these charges with these regulations?

[Martins] Absolutely not because this draft bill will also be in force in future administrations.

[BUSQUEDA] When the new commander assumed his duties he suppressed OCOA [Coordinating Agency for Antisubversive Operations] and instructed information services to fulfill their specific duties. Have you imparted any orders to the Defense Ministry Intelligence Services?

[Martins] No, there are no changes regarding their task which involves studying the international situation. For example, here I have reports about the situations in Rwanda and Georgia.

[BUSQUEDA] Undoubtedly, they also have to act at the domestic level.

[Martins] They also have to act within our borders. They report on everything that occurs in the country. But their orders were not changed.

[BUSQUEDA] What is the significance of appointing a high-ranking naval officer as head of the Defense Information General Directorate as of February?

[Martins] None at all. The rotation of the three Armed Forces branches in this post was already established.

[BUSQUEDA] This was etablished in the "Amnesty Law" but it was never fulfilled.

[Martins] Don't ask me why it was never fulfilled. But now I have imparted the order. The proper thing will be done. I will appoint the new director.

Retired General Sentenced for Insulting President

PY2011001993 Montevideo EL PAIS in Spanish 13 Nov 93 p 1

[Text] Retired General Ivan Paulos was sentenced to eight months imprisonment for insulting the president of the Republic and the defense minister. Paulos' sentence, however, was suspended and he thus will not go to prison. His police records will be cleared if he does not repeat the offense in the next five years.

Judge Jose Lobelcho on 12 November pronounced his sentence in the trial for "aggravated contempt" against Paulos. The defendant's lawyer appealed the decision, and the Appellate Court probably will call the parties in the next few days for a final review of the sentence.

The sentence fully approved the charges pressed by attorney Jose Luis Barbagelata, taking into account that Paulos had written his "open letter by a soldier" on the subject of pensions for retired soldiers fully aware of what he was doing and the impact it would have on a scheduled Military Center assembly.

In his 13-page sentence, Lobelcho states that if the explanation given by Paulos when he was questioned (on which occasion he signed a document stating that he did not intend to insult the president) were taken into account, "the existence of two letters should be accepted because one act does not match the other."

The judge stated: "There are other facts that lead one to believe that what he said (what Paulos said in his letter) was what he meant," adding that during the audience "he stated—although he had just started to declare—that he would write another similar letter," and he admitted that the document's purpose was to publish it before the Military Center assembly was held. The assembly was going to discuss Defense Ministry Resolution No. 15.

After summarizing the letter's contents, which the court labelled an offense to the president, the sentence concludes: "It is impossible that the person who wrote this letter, with the purpose of it serving as an introduction to the Military Center assembly..., was not aware of what he was doing. Less still when he wrote it and requested that it be published on a certain date."

The judge mentioned that what aggravated the offense was the hierarchy of the public officials who were offended and the fact that it was done through the media.

In the ruling's introduction the judge notes that the trial was an aspect of a "very complex issue because the military situation and the relationship with the official, described in very general terms, suggest a situation that this trial scarcely reflects."

He stated that these facts would not be taken into account in the sentence because, in the strictly legal field, only the aforementioned letter should be taken into account.

'Shared Dissatisfaction' Basis for GATT Negotiations

PY2411024793 Madrid EFE in Spanish 2103 GMT 23 Nov 93

[Article by Jorge Figueroa]

[Text] Montevideo, 23 Nov (EFE)—Uruguayan Foreign Minister Sergio Abreu stated today that "shared dissatisfaction" is the basis for the current negotiations within the General Agreement on Trade and Tariffs [GATT], and added that the Ibero-American voice will be heard before the end of the Uruguay round.

"Latin America is an important zone, and without contemplating its interests the round will never be successful. I am moderately optimistic, but we cannot allow the great commercial blocs to decide everything, with us simply following along; balance is essential," Abreu said. Abreu is the president of the Uruguay round of the GATT talks.

In a meeting with correspondents from international news agencies, Abreu said: "For our region the agricultural issue is decisive, and it is as important that we be allowed access to markets as that the rules guarantee balance and that we not listen to double talk."

The Uruguay round has received this name because it began on the Uruguayan beach resort of Punta del Este in 1986, with the objective of establishing norms for international trade during what remains of this century and the beginning of the next.

Negotiations were to end three years ago, but the difficulties in including the interests of all its 116 member countries, and the contradictory and firm positions among industrialized nations, especially the United States, the European Community, and Japan, are threatening to lead it to a new failure on 15 December, the deadline for agreement.

"The current basis for negotiations is the shared dissatisfaction of the main participants. There are continuous contacts, and within the next few days we will begin a strong diplomatic campaign to reach a solution," Abreu said.

According to the Uruguayan foreign minister, the powerful nations "must clearly understand that the democratic stability of the developing nations is closely related to their trade possibilities."

Abreu added: "In the commercial world we are currently observing positions which are far from 'fair play' [preceding phrase in English], but if the Uruguay round ends in failure we will be witnessing a true war of subsidies and protectionism, a law of the stronger, in which all countries will lose something. The conviction that we all will be damaged if no agreement is reached is what makes us moderately optimistic that a solution will be reached in the end, a solution

which surely will not be the best, but which we hope will be improved in successive rounds of negotiations," the Uruguayan foreign minister said.

After saying that he is in continuous contact with GATT Director General Peter Sutherland, the foreign minister recalled that Uruguayan President Luis Alberto Lacalle has called for an immediate "summit" of the Rio Group should the Uruguay round end without an agreement. "The idea is that the Latin American presidents should meet on 16 December in Asuncion, Paraguay, to decide on the position to be adopted by the region against the inevitable trade war that would follow this failure," Abreu said.

Venezuela

Ex-Narcotics Chief on '60 Minutes' Report

PA2311175593 Caracas EL NACIONAL in Spanish 23 Nov 93 p D-9

[Report by Javier Ignacio Mayorca]

[Text] General Ramon Guillen Davila, former National Guard narcotics chief, has denied that he ever conducted with the Central Intelligence Agency (CIA) operations of controlled drug entries.

Guillen expressed his surprise to EL NACIONAL over the reports aired on the U.S. television program "60 Minutes" implicating him and the National Guard in an illegal and foiled operation with the CIA, which eventually led to the alleged sale of one ton of cocaine in the United States.

[Guillen] I was the first person to be surprised by this program, the general stated. At no time during the four years I was in office did the National Guard narcotics chief's office execute a controlled delivery with the CIA. We always conducted these activities with the DEA.

[EL NACIONAL] What did you do with the CIA?

[Guillen] We had a cooperation program to set up what was called an Intelligence Center which was based in the narcotics chief's office. There was a computer system there that became so important that it prompted authorities to establish similar systems in Colombia, Ecuador, Bolivia, Argentina, Peru, and Uruguay. Another similar program was established in Central America. Had that program not advanced, investigations on money laundering would not have yielded results.

He said he was surprised over the statements by former DEA top officials, such as Robert Banner, "dismissed by President Bill Clinton" and Anabelle Grimm, former DEA chief in our country. They both attributed to the National Guard covert consumption operations with the CIA.

[Guillen] I always considered Anabelle Grimm an excellent professional. I did not understand her removal from DEA-Venezuela. She is lying when she said she did not know anything about our activities when a DEA official was with us every day, and the CIA, DEA, and National Guard formed a single team.

The official who acted as liaison with the DEA was, according to Guillen, Agent Hilda Serna. She and Grimm witnessed all the proceedings that resulted in the controlled deliveries of 1,530 kg.

Agencies Questioned

The former National Guard narcotics chief stated that today they want to turn the National Guard into a scapegoat to bear the burden of other police organizations at a time when the U.S. Senate is questioning the effectiveness of the offices that have attempted to fight drug trafficking and consumption within its borders. Basically, he warned, there is a dispute over budget appropriations.

[Guillen] There is a very big struggle between the CIA and the DEA over the budget. In this specific case I insist, however, that the DEA must explain what happened with the documents on the 602 kg. At first they had reported the arrival of 603 kg in Miami; they said later 602 kg, and months later they realized that there were allegedly 396 kg. The drug was lost there. They must investigate and must answer the questions. I answered for what happened in my territory.

Likewise, Guillen said he has nothing to do with the sale of drugs "on U.S. streets," as the televised program had stated. "If the drug is sold in New York, how can I be responsible? That is the responsibility of the police there. What happens is that they have to look for a crook from outside, and if he is Latin American that is much better."

[Guillen] What I say to American justice is that if they have evidence against me, they should bring it. If General Guillen Davila is the crook, they must prove it, but they should not involve the National Guard. From now on my attitude will change, because I have been patient. It is easy to say on television that we and the CIA shipped a ton of cocaine to the United States. They must prove it.

Grimm Introduced Me to Halvorssen

Asked about his ties with Thor Halvorssen, Guillen Davila said he has known him for several years. Anabelle Grimm, the former DEA chief in Venezuela, introduced Halvorssen to him during a meeting.

[Guillen] George Bush had been in office for three months when I attended an international conference with Vladimir Gessen in Miami and Anabelle Grimm introduced Halvorssen to me, saying he was the presidential narcotics commissioner in Venezuela. Grimm told me that President Carlos Andres Perez had appointed him "the Venezuelan drug czar."

Radical Cause Candidate Velasquez Interview

PA2411021393 Caracas Radio Caracas Television Network in Spanish 0200 GMT 20 Nov 93

[Interview with Andres Velasquez, Radical Cause presidential candidate, by Eladio Lares at the station's studios on "The Observer" newscast—live]

[Text] [Lares] Good evening. Please welcome Andres Velasquez, Radical Cause presidential candidate. Good evening, Sir.

[Velasquez] Good evening, Eladio.

[Lares] Andres, you are, so to speak, in the eye of the hurricane. There are serious accusations closing in on the secretary general of the Radical Cause party, for which you are the presidential candidate. You know how people on the street feel. They justifiably fear that a political party, and I repeat, you are the presidential candidate for that party, is arming itself with weapons taken from the Armed Forces and preparing for election day. That portrays your candidacy in a very undemocratic way, because no one can accept the participation of armed organizations in an election. If we combine that with the fact that all the candidates are already proclaiming themselves the winner and that the Armed Forces have taken the strong position not to allow disorder, you can only imagine what the people in the street must expect for 5 December.

[Velasquez] I would like to ask the Venezuelans to show all the security, composure, and political maturity they have demonstrated during the political events of the last five years, which they themselves have participated. Regarding your question, Eladio, I would like to say the following...

[Lares, interrupting] Do you support the Radical Cause secretary general?

[Velasquez] Yes. The situation that has been presented here is absolutely false. It is the lie of all lies. It is nothing more than a political ploy.

[Lares] What about all the letters sent by Lieutenant Bracamonte and Commander Arias?

[Velasquez] I simply say that this can be easily proven. I think it has to be investigated. Nevertheless, I still ask myself the same questions the Venezuelan people are asking. Lt. Alvarez Bracamonte was arrested more than one year ago. I ask, if he maintains that we...[pauses] that he handed those weapons to Pablo Medina, why did he wait until 20 days before the end of the campaign to say so? I also ask how is it that they showed no respect for his dignity as a soldier when he was arrested and presented to the media in handcuffs, surrounded by armed personnel, and wearing a wig or with his hair dyed blond?

[Lares] He was not disguised. That was his appearance.

[Velasquez] Nevertheless, there was no respect whatsoever for his military condition when they presented him like that. Now things are different. They ironed his uniform and they present him and call press conferences for him to say this sort of thing. I would simply like to say that the people are not fools. The people are not sucking their thumbs. This was done with the sole purpose of weakening my candidacy. I ask, what is going on? None of the candidates or their campaign directors, no one at all took me into account all through the campaign up to August or September. They ignored me. How is it that exactly 15 days before election day I have become the target of all these attacks? There is only one reason for it, Eladio. I am winning the election. I have a landslide advantage, so logically my adversaries are struggling to try and keep the advantage they will surely lose to us.

[Lares] The thing is, Andres, that many people do not readily come to these conclusions. Many people link what is happening, the accusations against Pablo Medina, with Radical Cause's membership in the Sao Paulo Forum, for example. Everyone knows that the Sao Paulo Forum was founded about two or three years ago by the Communist Party of Cuba and the Workers' Party of Brazil. Radical Cause belongs to that forum, along with the Farabundo Marti National Liberation Front, the 19 April Movement, and so on. The people wonder, then...

[Velasquez, interrupting] That is not true. Radical Cause does not belong to any international forum whatsoever.

[Lares] Furthermore, it is said that...

[Velasquez] Pablo Medina and I were invited to participate. We were also invited to the United States.

[Lares] So Radical Cause does not belong to the Sao Paulo Forum?

[Velasquez] No, absolutely not.

[Lares] Where is the connection? Why do people say that?

[Velasquez] Simply because someone invited us and we participated. In this specific case, the Sao Paulo Forum was promoted by (Mr. Lula), who has a very good chance of becoming the next president of Brazil. From that point of view, we see no sin in participating in the event. Pablo Medina simply...

[Lares] The accusation also connects...[pauses] I mean the whole situation. Pablo Medina is also accused of being the person who recruited young people to go to Cuba. Is this part of some sort of ploy?

[Velasquez] It is just part of the ploy. It is part of the set up, part of the dirty war and the campaign's lack of substance. It is no longer just part of the attack against Radical Cause but an affront against the people to try and intimidate them and do away with their sovereign right to vote for and elect whomever they choose. That is what is behind this whole matter. That is what we have seen in our adversaries. Our adversaries, however, seem to forget that when a nation decides to change its history, no dirty war, no intimidation, and no powerful electoral machine can stop the course of history. They will not intimidate our people. This is not out of revenge or anger. It is our people's wish for justice that comes from their hearts and their rational thinking in the face of so much abuse at the hands of a few political groups that have governed this country. These groups are none other than Democratic Action and the Social Christian Party.

[Lares] Is not it better for the party itself to ask for things like this to be investigated when they happen?

[Velasquez] Pablo has done so. Just yesterday Pablo requested an investigation. He said he is ready to lift his

immunity and appear in a civilian criminal court. But my goodness, no one can expect him, as the deputy he is, to appear before a military court. That would be outrageous, and submitting him to military justice would distort the investigation process.

Pablo is a deputy. He has parliamentary immunity, he has pointed it out and he is also willing to challenge this Bracamonte man as well as Taisa [not further identified], who even said Pablo was the one responsible for the weapons and that Pablo had the weapons. Pablo is saying that...

[Lares interrupting] The weapons were stolen.

[Velasquez] The weapons were stolen by that deserter, who is a man of poor spirit. What I feel and regret is that amid this dirty war they have involved members of our National Armed Forces.

[Lares] Let us talk about something else. Let us talk about the campaign. How is your candidacy doing?

[Velasquez] We are making a sweep. Our party will receive an avalanche of votes in the next...

[Lares, interrupting] How is Radical Cause doing in the areas where it was unknown, the areas where Andres Velasquez was not known; the plains states, for example?

[Velasquez] I have just come from a tour of all the plains states. I started in Puerto Ayacucho then Guarico, Valle de la Pascua, Calabozo, Apure, Barinas, Portuguesa, Barquisimeto, Lara, and ended in Yaracuy, Nirgua, San Felipe, Cojedes, Tinaco, Tinaquillo, and San Carlos. I can really thank the people for their support. Those states, in which we could have been considered weak, are definitely going to vote for us. It will be an avalanche, and we are going to sweep the elections. Our opponents do not understand that the people have their feelings. The people simply became more stubborn. They became tired of being victims and of being fooled. I have always said that the Venezuelan people opened their hearts and trusted politicians who played dirty tricks on them in return. That is what led the people to want a change. There are rank and file people from the Democratic Action and the Social Christian Party who are going to vote for me because they demand justice and want to teach these parties a lesson to pull them off the impunity seat on which they had been sitting. The people want to teach them a lesson of humility and bring them closer to the people so they can survive in the future. If they continue on the same path they will be condemned to disappear for good.

[Lares] Good night, Andres Velasquez. Good night to our viewers. See you tomorrow. Remember to vote on 5 December.

Consolidated Election Study Shows Alvarez in Lead

PA2311171693 Caracas EL DIARIO de Caracas in Spanish 22 Nov 93 p 37

[Report by Andres Stambouli]

[Text] The chart that goes with this report outlines the results of a consolidated study of the main commercial and independent campaign polls conducted on AD [Democratic Action], Copei [Social Christian Party], MAS [Movement Toward Socialism], and the Radical Cause in the 1992 regional elections and the May 1993 elections in Sucre and Barinas.

Based on the Permanent Electoral Registry (REP) composed by an electorate of 9,994,694 voters, an abstentee rate of 30 percent has been estimated, leaving 6,995,585 that will be basically distributed among the four mentioned candidates.

Almost all of the people who support Oswaldo Alvarez Paz, Rafael Caldera, and Andres Velasquez have already rallied [mobilizado], and this is reflected in the figures that are being assigned to them in the polls.

The projected results for Claudio Fermin will depend on his ability to maintain AD's support until election day.

Trends: Oswaldo Alvarez Paz has the possibility of rising to 30 percent. Rafael Caldera has stabilized at 26 percent. Claudio Fermin is showing a sustained ascent with the possibility of obtaining 28 percent. Andres Velasques is declining and will stabilize at approximately 12 percent.

Conclusion: The close margins that separate the first three candidates from each other preclude any assertions on our part to the effect that the order cited here will prevail on 5 December. Given the margin of error usually observed in electoral polls in Venezuela and supposing that these projections will fluctuate between plus or minus 5 percent, the only thing that can be sensibly asserted is that either of the three first candidates can win the elections.

The chart in question has Oswaldo Alvarez Paz with 30.50 percent of the vote; Claudio Fermin with 28.83 percent; Rafael Caldera with 26.75 percent; Andres Velasquez with 12.91 percent; and others with 1.1 percent.